All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this AP, unless stated otherwise.

THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold or transferred all your Astral Shares, you should immediately hand this AP together with the NPA and RSF (collectively referred to as "**Documents**") to the purchaser or transferee or agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. You should address all enquiries concerning the Rights Issue of Shares with Warrants to our share registrar, Symphony Share Registrars Sdn Bhd ("**Share Registrar**") at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

The Documents are only despatched to our shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 30 May 2013 ("**Entitled Shareholders**") ("**Entitlement Date**") at their registered addresses in Malaysia. The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue of Shares with Warrants or the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue of Shares with Warrants in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncees (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance or renunciation (as the case may be) of his/her entitlement to the Rights Issue of Shares with Warrants would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renouncees (if applicable) should note the additional terms and restrictions as set out in Section 9 of this AP. Neither our Company, TA Securities nor any other professional advisers shall accept any responsibility or liability whatsoever to any party in the event that any acceptance or sale/renunciation made by the Entitled Shareholders, and/or their renouncees (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholder and/or his renouncee (if applicable) is a resident.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Right Issue of Shares with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this AP, together with the RSF and NPA, has also been lodged with the Companies Commission of Malaysia who takes no responsibility for their contents. You are advised to note that recourse for false or misleading statements or acts made in connection with this AP are directly available through Sections 248, 249 and 357 of the CMSA.

Our shareholders have approved the Rights Issue of Shares with Warrants at the extraordinary general meeting held on 13 March 2013. Approval has also been obtained from Bursa Securities via its letter dated 5 February 2013 for the admission of the New Warrants to the Official List of Bursa Securities and the listing of and quotation for, amongst others, the Rights Shares, New Warrants and the new Astral Shares to be issued upon the exercise of the New Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue of Shares with Warrants. Admission of the New Warrants to the Official List and the listing of and quotation for the Rights Shares and New Warrants on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of Shares with Warrants. Neither Bursa Securities nor the SC takes any responsibility for the correctness of any statement made or opinions expressed in the Documents. The admission of the New Warrants to the Official List and the listing of and quotation for the New Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renouncees (if applicable) have been duly credited and notices of allotment have been despatched to the Entitled Shareholders and/or their renouncees (if applicable).

Our Board has seen and approved all the documentation relating to the Rights Issue of Shares with Warrants, including this AP together with the NPA and RSF. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in the Documents false or misleading.

TA Securities, being the Adviser for the Rights Issue of Shares with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue of Shares with Warrants.

FOR INFORMATION CONCERNING RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 5 HEREIN.

ASTRAL SUPREME

ASTRAL SUPREME BERHAD

(Company No. 442371-A)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 217,039,750 NEW ORDINARY SHARES OF RM0.20 EACH IN ASTRAL SUPREME BERHAD ("ASTRAL SHARE") ("RIGHTS SHARE") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ASTRAL SHARE HELD AS AT 5.00 P.M. ON 30 MAY 2013 AT AN ISSUE PRICE OF RM0.20 PER RIGHTS SHARE, TOGETHER WITH UP TO 130,223,850 FREE DETACHABLE NEW WARRANTS ("NEW WARRANTS") ON THE BASIS OF THREE (3) NEW WARRANTS FOR EVERY FIVE (5) RIGHTS SHARES SUBSCRIBED FOR

Adviser and Joint Underwriter

TA SECURITIES
A MEMBER OF THE TA GROUP

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Underwriter

sj securities sdn bhd (141671-T)
A Participating Organisation of Bursa Malaysia Securities Berhad

Joint Underwriter

Apex
JF APEX SECURITIES BERHAD (47680-X)
A Participating Organisation of Bursa Malaysia Securities Berhad

IMPORTANT RELEVANT DATES AND TIME

Entitlement date	:	Thursday , 30 May 2013 at 5.00 p.m.
Last date and time for:		
Sale of provisional allotment of rights	:	Thursday , 6 June 2013 at 5.00 p.m.
Transfer of provisional allotment of rights	:	Tuesday , 11 June 2013 at 4.00 p.m.
Acceptance and payment	:	Friday , 14 June 2013 at 5.00 p.m.*
Excess application and payment	:	Friday , 14 June 2013 at 5.00 p.m.*

* or such later date and time as our Board may decide in its absolute discretion and announce not less than two (2) market days before the stipulated date and time

This Abridged Prospectus is dated 30 May 2013

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this AP, unless stated otherwise.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF THE NEW WARRANTS TO THE OFFICIAL LIST AND THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES, NEW WARRANTS, THE NEW ASTRAL SHARES TO BE ISSUED ARISING FROM THE EXERCISE OF THE NEW WARRANTS AND THE ADDITIONAL WARRANTS 2011/2016 ON THE MAIN MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE OF SHARES WITH WARRANTS.

THE SC AND BURSA SECURITIES ARE NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS AP.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP:

"Act"	:	Companies Act, 1965
"AP" or "Abridged Prospectus"	:	This Abridged Prospectus issued by Astral dated 30 May 2013
"Astral " or "the Company"	:	Astral Supreme Berhad
"Astral Group" or "the Group"	:	Astral and its subsidiaries, collectively
"Astral Share" or "Share"	:	Ordinary share of RM0.20 each in Astral
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of Astral
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CDS"	:	Central Depository System
"CDS Account"	:	A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depository) Act, 1991 and the rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
"Cherng"	:	Cherng Chin Guan, a shareholder and an Executive Director of Astral
"CMSA"	:	Capital Markets and Services Act, 2007
"Code"	:	Malaysian Code on Take-Overs and Mergers, 2010
"Corporate Exercises"	:	Rights Issue of Shares with Warrants and the Increase in Authorised Share Capital, collectively
"Deed Poll"	:	Deed Poll dated 15 May 2013 constituting the New Warrants
"Director"	:	Director of Astral
"ECM"	:	Electronic contract manufacturing
"EGM"	:	Extraordinary general meeting of Astral held on 13 March 2013
"EMS"	:	Electronics manufacturing services
"Entitled Shareholders"	:	The shareholders of Astral whose names appear on the Company's Record of Depositors on the Entitlement Date
"Entitlement Date"	:	5.00 p.m. on 30 May 2013, being the time and date on which the shareholders of the Company must be registered on the Record of Depositors of the Company in order to be entitled to the Rights Issue of Shares with Warrants
"EPS"	:	Earnings per Share
"Excess Rights Shares with New Warrants"	:	Rights Shares with New Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/or their renouncees (if applicable) prior to excess application
"E&E"	:	Electronics and electrical
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended
"GDP"	:	Gross domestic product
"JF Apex"	:	JF Apex Securities Berhad

DEFINITIONS *(cont'd)*

"Joint Underwriters"	:	TA Securities, SJ Securities and JF Apex, collectively
"ICULS"	:	10-year 3% irredeemable convertible unsecured loan stocks issued by the Company on 9 August 2011
"Increase in Authorised Share Capital"	:	Increase in the authorised share capital of Astral from RM100,000,000 comprising 500,000,000 Astral Shares to RM500,000,000 comprising 2,500,000,000 Astral Shares, which was completed on 13 March 2013
"LAT"	:	Loss after taxation
"LBITDA"	:	Loss before interest, taxation, depreciation and amortisation
"LBT"	:	Loss before taxation
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	15 May 2013, being the latest practicable date prior to the registration of this AP
"Market Day"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"Maximum Scenario"	:	Assuming all the existing unexercised Warrants 2011/2016 and the outstanding ICULS are exercised/converted into new Astral Shares prior to the implementation of the Rights Issue of Shares with Warrants and all Entitled Shareholders subscribe for their respective entitlements pursuant to the Rights Issue of Shares with Warrants
"Minimum Scenario"	:	Assuming none of the existing unexercised Warrants 2011/2016 and the outstanding ICULS is exercised/converted into new Astral Shares prior to the implementation of the Rights Issue of Shares with Warrants and only the Undertaking Shareholders and the Joint Underwriters subscribe for their respective entitlements/undertakings pursuant to the Rights Issue of Shares with Warrants under the Minimum Subscription Level
"Minimum Subscription Level"	:	A minimum subscription level of 54,977,000 Rights Shares together with 32,986,200 New Warrants pursuant to the Rights Issue of Shares with Warrants, as determined by the Board after taking into consideration the Undertakings and the Underwriting arrangement
"MITI"	:	Ministry of International Trade and Industry
"NA"	:	Net assets
"New Warrants"	:	Up to 130,223,850 free detachable warrants to be issued pursuant to the Rights Issue of Shares with Warrants
"NPA"	:	Notice of Provisional Allotment in relation to the Rights Issue of Shares with Warrants
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
"Ong"	:	Ong Tai Chin @ Wong Tai Chin, the substantial shareholder and Managing Director of Astral
"PAT"	:	Profit after taxation
"PBITDA"	:	Profit before interest, taxation, depreciation and amortisation
"PBT"	:	Profit before taxation
"R&D"	:	Research and development
"Record of Depositors"	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository

DEFINITIONS *(cont'd)*

"Rights Issue of Shares with Warrants"	:	Renounceable rights issue of up to 217,039,750 new Astral Shares at an issue price of RM0.20 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Astral Share held on the Entitlement Date, together with up to 130,223,850 New Warrants on the basis of three (3) New Warrants for every five (5) Rights Shares subscribed for
"Rights Shares"	:	Up to 217,039,750 new Astral Shares to be issued pursuant to the Rights Issue of Shares with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"RSF"	:	Rights Subscription Forms in relation to the Rights Issue of Shares with Warrants
"Rules of Bursa Depository"	:	Rules of Bursa Depository including the rules in relation to a central depository as described in Section 2 of the SICDA
"SC"	:	Securities Commission Malaysia
"Share Registrar"	:	Symphony Share Registrars Sdn Bhd
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991
"Singatronics"	:	Singatronics (Malaysia) Sdn Bhd, our wholly-owned subsidiary
"SJ Securities"	:	SJ Securities Sdn Bhd
"Sphairon"	:	Sphairon Technologies GmbH
"TA Securities"	:	TA Securities Holdings Berhad
"TERP"	:	Theoretical ex-rights price
"Undertakings"	:	Irrevocable written undertakings from the Undertaking Shareholders that they will not dispose any of their respective Astral Shares following the announcement of the Corporate Exercises on 12 October 2012 up to the completion of the Corporate Exercises and that they will subscribe in full for their respective entitlements of the Rights Shares with New Warrants pursuant to the Rights Issue of Shares with Warrants. In addition, Cherng has also undertaken that he will subscribe for 5,869,000 excess Rights Shares with New Warrants which are not subscribed by the other shareholders of Astral pursuant to the Minimum Subscription Level
"Undertaking Shareholders"	:	Ong and Cherng, collectively
"Underwriting Agreement"	:	Underwriting agreement dated 15 May 2013 entered into between Astral and the Joint Underwriters
"Underwritten Shares"	:	24,762,000 Rights Shares, representing approximately 11.41% of the total size of the Rights Issue of Shares with Warrants, underwritten by the Joint Underwriters (severally but not jointly) based on the terms and conditions of the Underwriting Agreement
"USD"	:	United States Dollar
"VWAP"	:	Volume weighted average market price
"Warrants 2011/2016"	:	Aggregate of 38,727,400 warrants issued but remain unexercised as at the LPD and the additional warrants to be issued in consequence of adjustment arising from the Rights Issue of Shares with Warrants during the exercise period as stipulated in the deed poll dated 30 June 2011

DEFINITIONS *(cont'd)*

All references to "**our Company**" and/or "**Astral**" in this AP are to Astral Supreme Berhad. References to "**our Group**" and/or "**Astral Group**" are to Astral and its subsidiaries and references to "**we**", "**us**" "**our**" and "**ourselves**" are to Astral and where the context does require, shall include our subsidiaries.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this AP shall be reference to Malaysian time, unless otherwise specified.

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Company No. 442371-A

CORPORATE DIRECTORY

Name	Address	Age	Nationality	Profession
Yap Chi Keong *(Independent Non-Executive Chairman)*	71, Jalan Pantas Taman Connaught Jalan Cheras 56000 Kuala Lumpur	61	Malaysian	Company Director
Ong Tai Chin @ Wong Tai Chin *(Managing Director)*	11A, Jalan Kosas 3/10 Taman Kosas 68000 Ampang Selangor Darul Ehsan	61	Malaysian	Managing Director
Cherng Chin Guan *(Executive Director)*	No. 24, Jalan SS 22/40 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	49	Malaysian	Company Director
Lee Heng Khen *(Executive Director)*	16, Jalan PJU 1A/1E Ara Damansara 47301 Petaling Jaya Selangor Darul Ehsan	55	Malaysian	Company Director
Wee Tiew Toon *(Independent Non-Executive Director)*	No. 5, Jalan SS 22/3 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	70	Malaysian	Company Director
Siew Boon Yeong *(Independent Non-Executive Director)*	No. 18, Jalan Polo 10/6 Selangor Polo Country Club 47810 Kota Damansara Selangor Darul Ehsan	55	Malaysian	Certified Public Accountant

AUDIT COMMITTEE

Name	Designation	Directorship
Siew Boon Yeong	Chairman	Independent Non-Executive Director
Yap Chi Keong	Member	Independent Non-Executive Chairman
Wee Tiew Toon	Member	Independent Non-Executive Director

COMPANY SECRETARIES : Chua Siew Chuan (MAICSA 0777689)
Chin Mun Yee (MAICSA 7019243)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2084 9000

REGISTERED OFFICE : Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2084 9000

CORPORATE DIRECTORY *(cont'd)*

MAIN BUSINESS OFFICE	:	Lot 20, Kulim Industrial Estate 09000 Kulim Kedah Tel: 04-489 2288 Website : www.astral-supreme.com
SHARE REGISTRAR	:	Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel: 03-7841 8000
AUDITORS AND REPORTING ACCOUNTANTS	:	Morison Anuarul Azizan Chew (AF 001977) Chartered Accountants 18, Jalan 1/64 Off Jalan Kolam Air/ Jalan Ipoh 51200 Kuala Lumpur Tel: 03-4048 2888
SOLICITORS	:	Ong Partnership Suite B-06-12 6th Floor, Plaza Mon't Kiara No. 2, Jalan Kiara 50480 Kuala Lumpur Tel: 03-6201 0082
PRINCIPAL BANKER	:	AmBank (M) Berhad Level 1 & 2, Menara Dion Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2381 1552
ADVISER	:	TA Securities Holdings Berhad 32nd Floor, Menara TA One 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel: 03-2072 1277

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CORPORATE DIRECTORY *(cont'd)*

JOINT UNDERWRITERS	:	TA Securities Holdings Berhad 32nd Floor, Menara TA One 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel: 03-2072 1277 SJ Securities Sdn Bhd Mezzanine Floor, The Podium Wisma Synergy 72 Persiaran Jubli Perak Seksyen 22, 40000 Shah Alam Selangor Darul Ehsan Tel: 03-5192 0202 JF Apex Securities Berhad 6th Floor, Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel: 03-8736 1118
STOCK EXCHANGE LISTING	:	Main Market of Bursa Securities

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Company No. 442371-A

ASTRAL SUPREME BERHAD
(Company No.442371-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

30 May 2013

Our Board of Directors:

Yap Chi Keong *(Independent Non-Executive Chairman)*
Ong Tai Chin @ Wong Tai Chin *(Managing Director)*
Cherng Chin Guan *(Executive Director)*
Lee Heng Khen *(Executive Director)*
Wee Tiew Toon *(Independent Non-Executive Director)*
Siew Boon Yeong *(Independent Non- Executive Director)*

To: **The Entitled Shareholders**

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 217,039,750 NEW ORDINARY SHARES OF RM0.20 EACH IN ASTRAL ("ASTRAL SHARE") ("RIGHTS SHARE") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ASTRAL SHARE HELD AS AT 5.00 P.M. ON 30 MAY 2013 AT AN ISSUE PRICE OF RM0.20 PER RIGHTS SHARE, TOGETHER WITH UP TO 130,223,850 FREE DETACHABLE NEW WARRANTS ("NEW WARRANTS") ON THE BASIS OF THREE (3) NEW WARRANTS FOR EVERY FIVE (5) RIGHTS SHARES SUBSCRIBED FOR

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1. INTRODUCTION

Our shareholders had approved the Corporate Exercises at the EGM. A certified true extract of the ordinary resolution passed by our shareholders at the EGM in relation to the Rights Issue of Shares with Warrants is set out in the **Appendix I** of this AP.

The Controller of Foreign Exchange (via BNM) had, vide its letter dated 4 December 2012, approved the issuance of the New Warrants to the non-resident shareholders of Astral and any additional New Warrants to be issued in consequence of any adjustments to be made from time to time pursuant to the provisions of the Deed Poll.

The MITI had, vide its letter dated 11 December 2012, approved the Corporate Exercises, subject to approvals being obtained from Bursa Securities and BNM (of which have been obtained vide their letters dated 5 February 2013 and 4 December 2012, respectively).

Subsequently, Bursa Securities had, vide its letter dated 5 February 2013, approved the following:

(i) listing of and quotation for the Rights Shares;

(ii) admission to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the New Warrants;

(iii) listing of and quotation for the new Astral Shares to be issued pursuant to the exercise of the New Warrants;

(iv) listing of and quotation for up to 6,787,100 additional Warrants 2011/2016 to be issued in consequence of adjustment to the number of unexercised Warrants 2011/2016 arising from the Rights Issue of Shares with Warrants; and

(v) listing of and quotation for up to 6,787,100 additional Astral Shares to be issued pursuant to the exercise of the additional Warrants 2011/2016 in consequence of the adjustment arising from the Rights Issue of Shares with Warrants;

on the Main Market of Bursa Securities and the approval from Bursa Securities is subject to the following conditions:

	Conditions imposed	Status of compliance
(i)	Astral and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of Shares with Warrants;	To be complied
(ii)	Astral and TA Securities to inform Bursa Securities upon the completion of the Rights Issue of Shares with Warrants;	To be complied
(iii)	Astral to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of Shares with Warrants is completed; and	To be complied
(iv)	Astral to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of New Warrants and Warrants 2011/2016 as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 13 February 2013, TA Securities had on our behalf announced that our Board has revised and fixed the issue price for Rights Shares at RM0.20 per Right Share and the exercise price for New Warrants at RM0.20 per New Warrant.

On 15 May 2013, TA Securities had on our behalf announced that the Entitlement Date has been fixed on 30 May 2013 at 5.00 p.m. and the other relevant dates pertaining to the Rights Issue of Shares with Warrants.

No person is authorised to give any information or to make any representation not contained in this AP in connection with the Rights Issue of Shares with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or TA Securities in connection with the Rights Issue of Shares with Warrants.

If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. DETAILS OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS

2.1 Details of the Rights Issue of Shares with Warrants

In accordance with the terms of the Rights Issue of Shares with Warrants as approved by the relevant authorities, our shareholders at the EGM and subject to the terms of this AP and the accompanying documents, we will provisionally allot up to 217,039,750 new Astral Shares and up to 130,223,850 New Warrants to our Entitled Shareholders, on the basis of one (1) Rights Share for every one (1) existing Astral Share held on the Entitlement Date at an issue price of RM0.20 per Right Share, together with New Warrants on the basis of three (3) New Warrants for every five (5) Rights Shares subscribed by the Entitled Shareholders.

The Rights Issue of Shares with Warrants is renounceable in full or in part. However, the Rights Shares and the New Warrants cannot be renounced separately. Should the Entitled Shareholders renounce all of their Rights Shares entitlements under the Rights Issue of Shares with Warrants, they will not be entitled to the New Warrants. However, if the Entitled Shareholders accept only part of their Rights Shares entitlements under the Rights Issue of Shares with Warrants, they shall be entitled to the New Warrants in proportion of their acceptances of the Rights Shares entitlements.

In determining shareholders' entitlements to the Rights Shares under the Rights Issue of Shares with Warrants, fractional entitlements, if any, will be dealt with in such a manner as our Board deems fit or expedient or in the best interests of our Company.

The New Warrants will be issued at no cost to the shareholders of Astral and/or their renouncees (if applicable) who successfully subscribed for the Rights Shares and will be immediately detached from the Rights Shares upon issuance and separately traded on the Main Market of Bursa Securities. The New Warrants will be issued in registered form and constituted by the Deed Poll.

In addition to taking up your respective entitlements under the Rights Issue of Shares with Warrants, you may also apply for the Excess Rights Shares with New Warrants under the Excess Rights Shares with New Warrants application. It is the intention of our Board to allot the Excess Rights Shares with New Warrants, if any, in a fair and equitable manner as further set out in Section 9.6 of this AP.

The Rights Shares with New Warrants which are not taken up or allotted for any reason, shall first be made available for Excess Rights Shares with New Warrants applications by the Entitled Shareholders and/or their renouncee(s). After which, any remaining unsubscribed Rights Shares with New Warrants will be subscribed by Cherng pursuant to his Undertaking as set out in Section 2.6 of this AP to achieve the Minimum Subscription Level.

As you are an Entitled Shareholder and the Rights Shares are prescribed securities, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares together with New Warrants, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of Shares with Warrants. You will find enclosed in this AP, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Rights Shares together with New Warrants provisionally allotted to you, as well as apply for the Excess Rights Shares with New Warrants if you choose to do so.

Any dealing in our securities will be subject to the SICDA and the Rules of Bursa Depository. The Rights Shares with New Warrants will be credited directly to the respective CDS Accounts of the successful applicants and exercising New Warrants holders (as the case may be). No physical share certificate or warrant certificate will be issued.

A notice of allotment will be despatched to the successful applicants within eight (8) Market Days from the last date of acceptance and payment for the Rights Issue of Shares with Warrants or such other period as may be prescribed by Bursa Securities.

The Rights Shares and the New Warrants will then be quoted on the Main Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis of determining the issue price for the Rights Shares and the exercise price for the New Warrants

(i) Rights Shares

The Board has fixed the issue price for the Rights Shares at RM0.20 per Rights Share after taking into consideration the following:

(a) prevailing market condition;

(b) the historical share price movement of Astral Shares for the past one (1) year up to 8 February 2013 (being the last trading day prior to the announcement of the revision and fixing of issue price for the Rights Shares on 13 February 2013);

(c) the 5D-VWAP of Astral Shares up to and inclusive of 8 February 2013 of RM0.1858; and

(d) the par value of Astral Shares of RM0.20 each.

The issue price of RM0.20 per Rights Share represents a premium of approximately RM0.0071 or 3.68% to the TERP of Astral Shares of RM0.1929, based on the 5D-VWAP of Astral Shares up to and inclusive of 8 February 2013 of RM0.1858.

(ii) New Warrants

The New Warrants are attached to the Rights Shares without any cost and will be issued only to the shareholders of Astral and/or their renouncees (if applicable) who successfully subscribed for the Rights Shares, and are exercisable into new Astral Shares. Each New Warrant will entitle its holder to subscribe for one (1) Astral Share at the exercise price of RM0.20 per New Warrant.

The Board has fixed the exercise price of the New Warrants at RM0.20 per New Warrant after taking into consideration the following:

(a) the TERP of Astral Shares based on the 5D-VWAP of Astral Shares up to and inclusive of 8 February 2013 of RM0.1929; and

(b) the par value of Astral Shares of RM0.20 each.

The exercise price of RM0.20 per New Warrant represents a premium of approximately RM0.0071 or 3.68% to the TERP of Astral Shares of RM0.1929, based on the 5D-VWAP of Astral Shares up to and inclusive of 8 February 2013 of RM0.1858.

2.3 Ranking of the Rights Shares as well as the new Astral Shares arising from the exercise of the New Warrants and the additional Warrants 2011/2016

The Rights Shares as well as the new Astral Shares to be issued pursuant to the exercise of the New Warrants and the additional Warrants 2011/2016 (in consequence of the adjustment arising from the Rights Issue of Shares with Warrants, if any) shall, upon allotment and issue, rank *pari passu* in all respects with the existing Astral Shares except that they will not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of allotment of the Rights Shares as well as the new Astral Shares to be issued pursuant to the exercise of the New Warrants and the additional Warrants 2011/2016 (if any).

2.4 Salient terms of the New Warrants

The salient terms of the New Warrants are as follows:

Terms		Details
Issue size	:	Up to 130,223,850 New Warrants.
Number of new Astral Shares to be issued upon exercise of the New Warrants	:	Up to 130,223,850 new Astral Shares to be issued pursuant to the exercise of up to 130,223,850 New Warrants on the basis of one (1) new Astral Share for every one (1) New Warrant.
Form and denomination	:	The New Warrants will be issued in registered form and will be constituted by the Deed Poll.
Issue price	:	The New Warrants are to be issued free to all the Entitled Shareholders and/or their renouncees who subscribe to the Rights Shares.
Status of new Astral Shares arising from the exercise of the New Warrants	:	The new Astral Shares to be allotted and issued upon exercise of the New Warrants will rank *pari passu* in all respects with the existing Astral Shares except that such new Astral Shares will not be entitled to any dividends, rights, allotment and/or distributions which may be declared, made or paid prior to the date of allotment of such new Astral Shares.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot for the New Warrants shall be one hundred (100) New Warrants carrying the right to subscribe for one hundred (100) new Astral Shares at any time during the exercise period, or such other denomination as determined by Bursa Securities.
Commencement date	:	The day of issuance of the New Warrants.
Expiry date	:	The day falling immediately before the fifth (5^{th}) anniversary of the date of issuance of the New Warrants.
Exercise rights	:	Each New Warrant entitles the registered holder to subscribe for one (1) new Astral Share at any time during the exercise period at the exercise price (subject to adjustments in accordance with the provisions of the Deed Poll).
Exercise period	:	The New Warrants may be exercised at any time within five (5) years commencing on and including the date of issuance of the New Warrants. Any New Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.
Exercise price	:	RM0.20 payable in cash in respect of each new Astral Share to which the registered holder of New Warrants will be entitled to subscribe upon exercise of the New Warrants (subject to adjustments in accordance with the provisions of the Deed Poll).

Terms		Details
Mode of exercise	:	The registered holder of the New Warrants is required to lodge an exercise form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped together with payment of the exercise price for the new Astral Shares subscribed for by banker's draft/cashier's order/money order/postal order in RM drawn on a bank or post office operating in Malaysia.
Rights of the New Warrants	:	The registered holder of the New Warrants are not entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid where the Entitlement Date precedes the date of allotment and issuance of the new Astral Shares upon the exercise of the New Warrants. The New Warrants holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in the Company until and unless such New Warrants holders exercise their New Warrants into new Astral Shares.
Adjustments to the exercise price and/or number of the New Warrants	:	The exercise price and/or number of unexercised New Warrants shall be adjusted in the event of alteration to the share capital, capital distribution or issue of Astral Shares in accordance with the provisions of the Deed Poll.
Rights of the holders of the New Warrants in the event of winding-up, compromise and/or arrangement	:	If whilst any New Warrants remain capable of being exercised, a resolution has been passed for a members' voluntary winding-up of the Company or where there is a compromise or scheme of arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then: (i) for the purpose of such winding-up, compromise or scheme of arrangement to which the New Warrants holders (or some person designated by them for such purposes by special resolution) shall be a party, the terms of such winding-up, compromise or scheme of arrangement shall be binding on all the New Warrants holders; and (ii) in any other case, every New Warrants holder shall be entitled upon and subject to the conditions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within six (6) weeks after the granting of the court order approving the compromise or scheme of arrangement, by irrevocable surrender of his New Warrants to the Company by submitting the duly completed exercise form authorising the debiting of his New Warrants, together with payment of the

Terms		Details
		relevant exercise monies, to elect to be treated as if he had immediately prior to the commencement of the winding-up, compromise or scheme of arrangement exercised the exercise rights represented by such New Warrants to the extent specified in the exercise form and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the new Astral Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.
Listing status	:	Approval was obtained from Bursa Securities vide its letter dated 5 February 2013 for, amongst others, the admission of the New Warrants to the Official List of the Main Market of Bursa Securities as well as for the listing of and quotation for the New Warrants and the new Astral Shares to be issued pursuant to the exercise of the New Warrants on the Main Market of Bursa Securities.
Governing law	:	The laws of Malaysia.

2.5 Details of other corporate exercises

As at the LPD, save for the Rights Issue of Shares with Warrants, our Board is not aware of any outstanding corporate proposal which has been announced but pending completion.

2.6 Minimum Subscription Level, Undertakings and Underwriting

The Rights Issue of Shares with Warrants will be implemented on a minimum level of subscription of 54,977,000 Rights Shares together with 32,986,200 New Warrants.

Based on the issue price of RM0.20 per Rights Share, our Company intends to raise a minimum gross proceeds of approximately RM11.0 million from the Rights Issue of Shares with Warrants. The minimum proceeds to be raised was determined by our Board after taking into consideration, *inter alia*, the funding requirements of our Group, the ability of our Company to raise financing and the estimated expenses for the Corporate Exercises.

To meet the Minimum Subscription Level, our Company has procured the Undertakings from the Undertaking Shareholders that they will not dispose any of their Astral Shares following the announcement of the Corporate Exercises on 12 October 2012 up to the completion of the Corporate Exercises and that they will subscribe in full for their respective entitlements for the Rights Shares with New Warrants pursuant to the Rights Issue of Shares with Warrants. In addition, Cherng has also undertaken that he will subscribe for 5,869,000 Excess Rights Shares with New Warrants which are not subscribed by the other shareholders of Astral pursuant to the Minimum Subscription Level.

For the remaining portion of the Rights Shares under the Minimum Subscription Level, we have entered into an Underwriting Agreement with the Joint Underwriters to severally but not jointly underwrite 24,762,000 Rights Shares (representing approximately 45.04% of the total size of the Rights Issue of Shares with Warrants based on the Minimum Subscription Level) for which no unconditional and irrevocable written undertaking to subscribe has been obtained from other shareholders. The underwriting commission is two per cent 2% of the value of the

Underwritten Shares, amounting to RM99,048. The underwriting commission payable to the Joint Underwriters and all other costs in relation to the Underwriting shall be fully borne by our Company.

The details of the Undertakings and the Underwriting based on the Minimum Subscription Level are as follows:

	As at the LPD		Entitlements of Rights Shares with New Warrants		Excess Rights Shares with New Warrants	
Name	No. of Astral Shares ('000)	%	No. of Rights Shares ('000)	% of Rights Shares*	No. of Rights Shares ('000)	% of Rights Shares*
Ong	17,715	10.35	17,715	32.22	-	-
Cherng	6,631	3.88	6,631	12.06	5,869	10.68
TA Securities	-	-	4,762	8.66	-	-
SJ Securities	-	-	10,000	18.19	-	-
JF Apex	-	-	10,000	18.19	-	-

Note:

* *Based on Minimum Subscription Level.*

Joint Underwriters	No. of Underwritten Shares	Issue value of Underwritten Shares (RM'000)	% of total Underwritten Shares (%)
TA Securities	4,762,000	952	19.24
SJ Securities	10,000,000	2,000	40.38
JF Apex	10,000,000	2,000	40.38
TOTAL	**24,762,000**	**4,952**	**100.00**

Arising from the obligations of the Undertakings, both Ong and Cherng have confirmed that they have sufficient financial resources to subscribe for their respective entitlements and/or undertakings (where applicable) as disclosed above. As the Adviser for the Rights Issue of Shares with Warrants, TA Securities has verified the confirmations made by Ong and Cherng.

After considering the Undertakings and the Underwriting, we confirm that the abovementioned subscription of Rights Shares by the Undertaking Shareholders will not give rise to any consequences of mandatory general offer obligation pursuant to the Code. Nevertheless, the Undertaking Shareholders have given their respective confirmations to observe and comply at all times with the provisions of the Code.

We also confirm that the subscription of Rights Shares by the Undertaking Shareholders will not result in non-compliance with the public shareholding spread requirements.

In the event the Minimum Subscription Level cannot be achieved, we will not continue with the implementation of the Rights Issue of Shares with Warrants. As a result, all monies received (if any) will be returned immediately to our shareholders and/or their renouncees (if applicable) who have submitted their applications for the subscriptions of the Rights Shares. Save as disclosed above, as at the LPD, the Company does not have any other alternate plans in the event the Minimum Subscription Level is not achieved.

3. UTILISATION OF PROCEEDS

The gross proceeds to be raised from the Rights Issue of Shares with Warrants are expected to be utilised in the following manner:

		Minimum Scenario RM'000	Maximum Scenario RM'000	Expected time frame for utilisation of proceeds (from the date of listing of the Rights Shares)
Working capital	*(1)*	10,295	31,508	Within 24 months
Repayment of bank borrowing	*(2)*	-	2,050	Within 6 months
Renovation of factory and purchase of new equipment	*(3)*	-	4,150	Within 12 months
R&D	*(4)*	-	5,000	Within 24 months
Defray estimated expenses in relation to the Corporate Exercises	*(5)*	700	700	Within 1 month
Total estimated proceeds		**10,995**	**43,408**	

Notes:

(1) The details of the utilisation for the working capital are as follows:

	Note	*Minimum Scenario RM'000*	*Maximum Scenario RM'000*
Payment of trade and other creditors		*1,500*	*1,500*
Purchase of raw materials	*(a)*	*7,145*	*26,858*
Management, employees and marketing expenses	*(b)*	*1,650*	*3,150*
Total		*10,295*	*31,508*

(a) Purchase of raw materials

*Singatronics is a strategic EMS partner for Sphairon, a German company which produces telecommunications and networking electronics products such as network terminals for Integrated Services Digital Network ("**ISDL**"), Asymmetric Digital Subscriber Line ("**ADSL**"), Very high bit rate Digital Subscriber Line ("**VDSL**") networks as well as Voice over Internet Protocol ("**VoIP**") (Source: website of Sphairon). On 28 July 2011, Singatronics and Sphairon entered into a Master Sale Agreement in relation to their collaboration as regards to orders from Sphairon and supply by Singatronics of electronic products required by Sphairon. This agreement shall continue for three (3) years and thereafter, shall automatically be renewed for successive one (1) year unless terminated upon request by either parties to the agreement. Since then, Sphairon has been a customer of Singatronics.*

*Further, on 28 April 2012, Singatronics has entered into a Memorandum of Understanding with Sphairon ("**MOU**"), whereby Sphairon will engage Singatronics as one of its strategic partners for the manufacturing of modems and information technology / telecommunication related products. As at the LPD, Singatronics has received purchase orders worth approximately RM52.8 million from Sphairon for the production of 70,000 units of EasyBox and 240,000 units of VF EasyBox 803 S for Vodafone, respectively (refer to Astral's announcements dated 6 January 2012 and 26 September 2012, respectively). As at the LPD, Singatronics has delivered approximately RM4.179 million worth of EasyBox to Sphairon. The production for VF EasyBox 803 S for Vodafone is expected to commence by second (2nd) half of year 2013.*

In this regard, the working capital will be used mainly to purchase raw materials to meet the purchase orders from Sphairon. Considering that Singatronics is an EMS partner for Sphairon, this places Singatronics in a favourable position to respond to further orders from Sphairon for its current and future information technology / telecommunication products. Therefore, any additional proceeds (under the Maximum Scenario) to be raised will allow our Group to have sufficient funds to purchase resources to meet these future orders and the requirements of

Sphairon. The raw materials generally used for these productions are accessories, casings, printed circuit board assembly, and mechanical and packaging, mainly sourced from approved suppliers of Sphairon.

In addition to Sphairon, Singatronics provides value-added contract manufacturing services to the following three (3) other sectors:

(i) *Industrial sector*

*One of Singatronics' major EMS customers for this sector is Festool GmbH ("**Festool**"), a Germany company that develops high quality electric and pneumatic tools for woodworkers, painters and automotive body shops (Source: www.festool.com). Singatronics manufactures controller and signal boards for professional tools for Festool, who has been a customer of Singatronics for twelve (12) years.*

The controller and signal board are the key electronic components for Festool's professional power tools which provide a simple interface for establishing an action for a particular signal. The signal board provides all of the circuitry necessary for a useful control task such as microprocessor, clock generator and stored program memory.

(ii) *Consumer sector*

*Major customers of Singatronics for this sector include Deng Kai Sdn Bhd (an R&D and manufacturing company specialised in developing various types of cutting edge technological switches) ("**DK**") and Asahi Best Base Sdn Bhd (part of the Asahi Group, a global supplier of electronic components) ("**Asahi**").*

*Singatronics manufactures electronic circuit breakers ("**ECB**") for DK and wire harness for Asahi. An ECB is an automatically operated electrical switch designed to protect an electrical circuit from damage caused by overload or short circuit. A wire harness is an assembly of wires, bound together by straps, cable tiers, cable lacing, sleeves, electrical tape, conduit, a weave of extruded string, or a combination thereof. The wire harness produced by Singatronics for Asahi applies to household electrical appliances.*

DK and Asahi have been customers of Singatronics for six (6) and four (4) years, respectively.

(iii) *Healthcare sector*

Singatronics has been working closely with a Japanese customer to design, engineer and test an electronic face massager. A prototype sample was submitted to the customer for product qualification in March 2012 with further improvements to the prototype sample in August and December 2012. As at the LPD, Singatronics has been awarded two (2) purchase orders amounting to RM1.334 million from this customer.

Any additional proceeds (under the Maximum Scenario) to be raised will allow our Group to purchase resources for these sectors.

(b) *Management, employees and marketing expenses*

Being the working capital for the business operations of our Group, which is mainly to finance the on-going operating and office expenses such as staff salaries and employee benefits, utilities, other miscellaneous expenses and marketing expenses. At present, we have not determined the exact breakdown of the proceeds in respect of the said working capital requirement.

(2) *As at the LPD, the borrowings of our Group comprise hire purchase facilities only and the total hire purchase facility of our Group was approximately RM1.60 million. For illustrative purpose and without taking into consideration the tax implication (if any), our Group is expected to have an interest saving of approximately RM0.20 million per annum based on an average interest rate of 7.8% per annum.*

Any surplus of funds following the repayment of bank borrowings will be utilised as working capital of our Group.

(3) *We intend to utilise the proceeds to renovate the factory located at Lot 20, Kulim Industrial Estate, 09000 Kulim, Kedah and to purchase new equipment, details of which are as follows:*

		RM'000
Renovation of factory:		
*Electronic static discharge ("**ESD**") flooring for the assembly area*	*(a)*	*1,300*
*Control room facilities for Surface Mount Technology ("**SMT**")*	*(b)*	*500*
General renovations	*(c)*	*705*
Purchase of new equipment:		
Incoming quality control lab with coordinate measuring machine	*(d)*	*480*
Other new equipment	*(e)*	*1,165*
Total		***4,150***

Renovation of factory

(a) ESD is the sudden, spontaneous transfer of electric current which can damage the electronic components and equipments on site and affect the product quality of our Group. In this regard, we intend to extend the ESD flooring for the assembly area of the factory to minimise the impact of ESD on the products.

(b) SMT is an electronic assembly method for constructing electronic circuits in which the components are mounted directly onto the surfaces of electronic circuit boards. It replaces the through-hole technology construction method of fitting components with wire leads into holes on the circuit boards. In comparison, SMT provides advantages in terms of manufacturability and performance, whereby it allows higher component density (components per unit area) and more connections per component and provides a simpler and faster automated assembly. The SMT components include active and passive components.

Currently, our Group uses SMT in constructing the electrical circuit boards. As part of our Group's continuous effort to ensure good manufacturing practice, we intend to utilise the proceeds to upgrade the design and facilities of the control room for SMT. This shall build customers' confidence in our Group's manufacturing practice and increases our competitiveness in the electronic and electrical market.

(c) These general renovations involve renovation to, amongst others, the exterior of the factory, lobby and front office and the related wiring works.

The factory renovation aims to improve the production efficiency and enhance Singatronics' product quality to be compatible with international quality standards, but will have minimal impact to the current production capacity of our Group.

Purchase of new equipment

*(d) A coordinate measuring machine ("**CMM**") is used to measure the mechanical parameters of a product. As part of our Group's emphasis on quality, we intend to acquire one (1) unit of CMM to ensure that the products manufactured meet the customers' design intent, which in turn allows our Group to reduce wastage in our production processes.*

(e) The other new equipment are required to replace the existing old equipment such as chiller / cooling tower system, stabilizer and trunking for SMT area, air-conditioners, particle counter and forklift as well as for the upgrade of computer systems and softwares and the security systems of the factory.

Any surplus/shortfall for the renovation of factory and purchase of new equipment will be adjusted accordingly to/from the working capital of our Group.

(4) *As part of the MOU, Singatronics and Sphairon will co-operate with each other in promoting R&D activities in Malaysia. This R&D co-operation shall involve the transfer of telecommunication technologies from Sphairon to Singatronics.*

We intend to utilise RM5.0 million of the proceeds from the Rights Issue of Shares with Warrants for, amongst others, the set-up of a R&D lab, R&D staff costs and purchase of relevant machinery and equipment for the R&D co-operation.

As both Singatronics and Sphairon have not finalised the focus area for the R&D co-operation, our Board cannot determine the breakdown for the R&D expenses at this juncture. Notwithstanding this, our Board believes such R&D co-operation will allow Singatronics to establish a good business relationship with Sphairon, strengthen our Group's R&D capabilities and thus increases our Group's competitiveness.

In the event Singatronics and Sphairon decide not to proceed with the R&D co-operation, any unutilised proceeds will be utilised for the working capital requirements of our Group.

(5) *The expenses relating to the Corporate Exercises comprise, amongst others, the estimated professional fees, fees payable to the relevant authorities including but not limited Bursa Securities, SC and Companies Commission of Malaysia, expenses to convene the EGM, printing, despatch and advertisement expenses and other ancillary expenses. If the actual expenses incurred are higher than the budgeted, the deficit will be funded from the portion allocated for our Group's working capital. Conversely, any surplus of funds following payment of expenses will be utilised as working capital for our Group.*

For information purpose, our Group's production capacity varies with changes in the product mix. Based on the current machinery and equipment and the production capacity available, there is sufficient capacity available to cater for additional orders for our EMS division, should the need arises. The proceeds to be raised under the Minimum Subscription Level / Minimum Scenario will enable our Company to raise sufficient funds to meet the purchase orders received from Sphairon as well as other existing customers. This, in turn, will enable us to maintain a good business relationship with our customers by providing quality products and services and prompt delivery. Any additional funds to be raised under the Maximum Scenario will place our Company in a more favourable position (i.e. via stronger financial strength) to procure more orders from Sphairon and other existing customers.

For the avoidance of doubt, the factory renovation and the purchase of new equipment (both under the Maximum Scenario) will improve our Group's production efficiency (i.e. reduce wastage in our Group's production) and enhance our product quality to be compatible with international quality standards, but will have minimal impact to the current production capacity of our Group. As an EMS provider, our Group's competitive advantages are its ability to provide high quality of products and services, prompt delivery and competitively-priced products and services to our customers. In this regard, our Board expects that improvements on the production efficiency and the quality of products and services will serve to enhance its competitiveness and help our Group to gain new customers' and retain existing customers' continuous support and loyalty.

The exact quantum of proceeds to be raised from the exercise of the New Warrants is dependent on the total number of New Warrants to be exercised during the tenure of the New Warrants. The proceeds to be raised from the exercise of the New Warrants shall be utilised for the working capital requirements of our Group, the breakdown of which and the expected time frame for full utilisation cannot be determined by our Board at this juncture.

Pending utilisation of the proceeds from the Rights Issue of Shares with Warrants for the abovementioned purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments as our Board may deem fit. The interest derived from the deposits with the financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

4. RATIONALE FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS

Our Group is principally involved in manufacture, assemble and export of electrical consumer and industrial products. Over the past three (3) FYEs 31 December 2010 to 31 December 2012, our Group had been incurring losses and taking cognisant of this, our Board has to its best endeavour, considered various avenues to improve our Group's financial performance. After due consideration of the various methods to raise funds for purposes as stated in Section 3 of this AP, our Board is of the opinion that the Rights Issue of Shares with Warrants is currently an appropriate avenue for our Company, after taking into consideration the following:

(i) it allows our Company to raise immediate funds without incurring interest costs as compared to other means of financing, such as bank borrowings or the issuance of debt instruments;

(ii) it involves the issuance of new Astral Shares without diluting the existing shareholders' equity interest, assuming all Entitled Shareholders fully subscribe for their respective entitlements;

(iii) it provides an opportunity for the existing shareholders to increase their equity participation in our Company from the subscription of the Rights Shares and the exercise of the New Warrants. The Undertakings allow the Undertaking Shareholders to extend their support for the Rights Issue of Shares with Warrants to facilitate our Company to raise immediate funds; and

(iv) the New Warrants to be issued pursuant to the Rights Issue of Shares with Warrants will provide our shareholders with an attractive option to increase their equity participation in Astral at a predetermined price during the tenure of the New Warrants. In addition, proceeds from the exercise of the New Warrants, if any, in the future will provide an additional source of funds to be used in our Group's business.

Our Group had undergone internal restructuring since late 2008 wherein our Company had gradually divested our equity interest in silk screen printing and embroidery business and conserved the cash and other resources for our EMS business. Our Group has also been continuously exploring for new customer base to improve our EMS division. With such efforts, our Group's financial performance for the year 2012 has improved, whereby the revenue for the FYE 31 December 2012 of RM10.97 million is higher than the revenue for previous FYE 31 December 2011 of RM5.40 million, and our Group has managed to turn-around our financial performance by capturing a GP of RM3.38 million and PBT of RM0.61 million (2011: our Group was in gross loss and LBT position). This was achieved due to orders secured by our Group which shall take our Group into 2013 and such achievement was made by relying on the combination of the Group's internally generated funds, bank borrowings and/or advances from the Directors of the Company.

In this regard, the Rights Issue of Shares with Warrants presents an appropriate avenue for our Company to raise funds to meet current and future orders for our ECM division. Being able to meet customers' requirements, provide quality products and services and prompt delivery are vital for our Group to attain a competitive edge against our competitors and thus, allow our Group to maintain a good business relationship with our customers. In this respect, having sufficient working capital (e.g. via the proceeds from the Rights Issue of Shares with Warrants) will allow our Group to perform our manufacturing contract obligations and ensure prompt delivery.

The Rights Issue of Shares with Warrants is undertaken on the Minimum Subscription Level basis as the funds to be raised will be sufficient for our Group's funding requirements based on the present cash flow position and level of operations of our Group. In the event the actual level of subscription for the Rights Issue of Shares with Warrants is higher than the Minimum Subscription Level, our Group will be able to conduct more business activities for and participate in the R&D co-operation with Sphairon to develop new products under the ECM division, with the additional working capital. Any additional funds to be raised under the Maximum Scenario will place our Company in a more favourable position (i.e. via stronger financial strength) to procure more orders from Sphairon and other existing customers.

Our Board is of the opinion that a stronger balance sheet and a healthier cash flow will enable our Group to finance the development of our existing ECM business which is expected to contribute positively to the future earnings of our Group and improve our financial performance.

The Rights Issue of Shares with Warrants will involve the issuance of new Astral Shares without diluting the existing shareholders' equity interest assuming all shareholders fully subscribe for their entitlements and exercise their New Warrants subsequently.

5. RISK FACTORS

You and/or your renouncees (if applicable) should consider carefully the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Issue of Shares with Warrants.

5.1 Risks relating to the operations and business of our Group

(i) Business risk

Our Group is principally involved in manufacture, assemble and export of electronical consumer and industrial products. Hence, our Group is subject to certain risks inherent in the electronics industry. These risks include changes in general economic conditions such as but not limited to, government regulation, inflation, taxation, interest rates and fluctuation of foreign exchange rates as well as changes in business conditions such as, but not limited to, deterioration in market conditions, constraints in labour supply and raw materials and technological obsolescence.

Although our Group seek to limit these risks through, *inter-alia*, practicing prudent management policies, efficient cost control, continuous review of our operations, maintaining good relationships with our suppliers and customers, adequate emphasis on personnel development, there is no assurance that any changes to these inherent risks will not adversely affect our Group's business.

(ii) Dependence on key management and skilled personnel

Our Group believes that it will depend, to a significant extent, upon the abilities and continued efforts of our existing Directors and senior management. The loss of any key member of our Board and senior management could adversely affect our Group's continued ability to compete in the electronics industry. Whilst our Group has made efforts to maintain good relationships with our key management and groom the younger members of the management team to assume more responsibilities in order to ensure a smooth transition should any changes occur, there is no assurance that the loss of any of our key management can be prevented.

Our Group depends, to a certain extent, on skilled personnel with the requisite knowledge, skill and experience with a high level of competence and commitment to provide specialised services. Hence, our Group's ability to attract and retain such skilled personnel is imperative to our operations and performance. Although our Group have to our best endeavor provided a conducive working environment and continuously consider appropriate measures such as suitable compensation package, dynamic human resource training and development programs and improving facilities and amenities to the staffs to attract and retain the skilled personnel, there can be no assurance that the loss of any skilled personnel can be avoided.

(iii) Competition risk

The electronics industry environment is competitive. As many of our Group's competitors are larger players in the electronics industry, they may have greater R&D resources to keep abreast of technological changes, greater manufacturing scale, financial and marketing resources as well as wider access to capital. In view of the competitive market environment and conditions, the ability to maintain or increase our competitiveness in the future is not guaranteed.

There is no assurance that our Group will be able to maintain or increase our competitiveness in the future amongst competition from existing players and/or potential new entrants to the industry.

(iv) Dependence on selected customer base

Our Group mainly services organisations in the E&E industry. Contract with each organisation is sourced directly and not centralised through principals. These organisations spread over Asia Pacific and European countries, i.e. Germany.

Our Group will continue to meet the service level and product quality expectation and maintain a cordial relationship with key personnel of these organisations.

However, there is no assurance that our Group can continue to maintain the business relationship and the loss of any such account may adversely impact the performance of our Group in the future.

(v) **Delay in completion of projects**

The timely completion of a project is dependent on many external factors, including the delay of information from clients, incomplete specification or unanticipated difficulties in developing the solutions, market conditions, human errors and compliance with the initial plan. Accordingly, the failure or delay in the implementation of the projects could result in the termination of contracts or claims being made against our Group.

As a mitigating factor, we will conduct studies on the complexity and specifications of each project to ensure smooth and efficient project implementation, and closely monitor the progress of our Group's projects.

5.2 Risks relating to our industry

(i) **Cyclical nature of the E&E industry**

Our Group mainly services organisations in the E&E industry and thus, our Group may be affected by the cyclical changes of the E&E industry and may experience downturn, driven by factors such as demand volatility and excessive build-up of inventories which to a large extent that beyond the control of our Group. Depending on the severity of the downturn, our Group's business and financial performance may be adversely affected resulting in lower utilisation rates in our plant capacity, thus which may ultimately erode our profitability.

As a mitigating factor, our Group has, amongst other, implemented processes to optimise input costs, maximise production efficiency and quality, plan the production schedule and time the purchase of raw materials based on projected order from our customers. Our Group has also strived to expand the customer base by securing orders from original equipment manufacturer ("**OEMs**") of other sectors such as telecommunication, industrial, consumer and healthcare products. Such move enables our Group to balance out inherent risks in the respective sectors and optimises the production capacity of our Group.

(ii) **Economic, political and regulatory risks**

Our financial and business prospects may be adversely affected by unfavourable political, economic and regulatory developments. These factors include, but are not limited to, risks of war, global economic slowdown, changes in level of inflation, interest rates, fluctuation of foreign exchange rates, unfavourable changes in government policy such as changes in government's fiscal, monetary and regulatory policies, taxation as well as changes in political leadership.

Whilst our Group strive to continue to take effective measures such as prudent financial management and efficient operating procedures and continue seeking new markets, there is no assurance that any change to these factors will not materially and adversely affect our Group's financial position or business in the future.

(iii) **Exchange rate risks**

Our Group's current sales revenue is mainly denominated in Euro. Purchases of the raw materials of our Group, which are mainly imported from overseas, are mainly denominated in Euro and USD. Any appreciation or depreciation of foreign currencies against the RM will result in our Group incurring foreign currency exchange gains or losses.

The risk of exchange rate fluctuations of USD against RM is, to a certain extent, mitigated by the managed float mechanism adopted by BNM which may prevent extreme fluctuation of the RM vis-à-vis USD.

For foreign revenue source and payment of creditors in Euro, our Group minimise our foreign exchange exposure via natural hedging, whereby our Group will use our proceeds in Euro to pay expenses in Euro.

In addition, our Group closely monitors the movement of the foreign currencies applicable to our business in managing foreign currencies risk.

5.3 Risks relating to the Rights Issue of Shares with Warrants

(i) Investment risk

The issue price for the Rights Share and the exercise price for the New Warrants have been determined, after taking into consideration, amongst others, the TERP of Astral Shares and the par value of our Shares as set out in Section 2.2 of this AP.

The market price of our Shares, is influenced by, amongst others, the prevailing market sentiments, volatility of equity markets, prospects of the E&E industry and our financial performance. In view of this, there can be no assurance that our Shares will be traded at or above the issue price of RM0.20 per Rights Share or the TERP upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

You are also requested to consider that each New Warrant derives its value by giving its holder the rights to subscribe for new Astral Shares at the exercise price of RM0.20 per New Warrant over a tenure of five (5) years from the date of its issue. If the price of New Warrants is quoted and traded on the Main Market of Bursa Securities and such exercise price is higher than the price of the underlying Astral Shares, the New Warrants are deemed to be "out-of-the-money" and hence, there may not be an incentive for the holders to exercise their New Warrants.

The value of the New Warrants is dependent on the market price of our Shares, exercise price for the New Warrants, remaining tenure of the New Warrants, volatility of our Share price, perceived risk-free rate applicable in the relevant market and dividend payments of our Company. However, there is no assurance that the exercise price for the New Warrants will correspond with the price at which the New Warrants will be traded on Bursa Securities. There is also no assurance that an active market for the New Warrants will develop upon their listing on Bursa Securities or if developed, that such market will sustain.

Furthermore, you are reminded that should the outstanding New Warrants expire at the end of its tenure, it will cease thereafter to be valid for any purposes and hence, will no longer have any value.

(ii) Delay in or abortion of the Rights Issue of Shares with Warrants

The Rights Issue of Shares with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of anyone or more of the following events:

(a) material adverse change of events / circumstances (e.g. natural disasters, adverse developments in political, economic and government policies in Malaysia, acts of war, acts of terrorism, riots and expropriations), which are beyond the control of our Company arising prior to or during the implementation of the Rights Issue of Shares with Warrants;

(b) the Undertaking Shareholders as set out in Section 2.6 of this AP may not fulfill or able to fulfill their obligations pursuant to the Undertakings; and

(c) the Minimum Subscription Level is not achieved.

Nevertheless, our Group will endeavor to ensure the successful listing of the Rights Shares and the New Warrants. However, there can be no assurance that the abovementioned events will not occur and cause a delay in or abortion of the Rights Issue of Shares with Warrants. In the event the Rights Issue of Shares with Warrants is aborted, our Group will refund, without interest, all monies received in respect of the accepted application for the subscription of the Rights Shares with New Warrants to the Entitled Shareholders and/or their renouncees (if applicable). If such monies are not repaid within fourteen (14) days after it becomes liable, we will pay such monies with interest at the rate of ten percent (10%) per annum or such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

(iii) Potential dilution

Entitled Shareholders who do not or are not able to accept their provisional Rights Shares with New Warrants will have their proportionate ownership and voting interest in our Company reduced. The potential dilution will increase further as and when other New Warrant holders exercise their New Warrants and our enlarged issued and paid-up share capital represented by their shareholdings in our Company will be reduced accordingly.

(iv) Capital market risks

The performance of the local stock market is dependent on the economic and political condition in Malaysia as well as external factors such as, amongst others, the performance of the world bourses, flows of foreign funds and prices of commodities. These factors invariably contribute to the volatility and the liquidity of Bursa Securities, thus adding risk to the market price of the Rights Shares and the New Warrants.

(v) Forward-looking statements

Certain statements in this AP are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this AP are based on forecasts and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, among others, the risk factors as set out in this section. In view of the above, the inclusion of any forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

6. INDUSTRY OUTLOOK AND PROSPECTS OF OUR GROUP

6.1 International economy

The world economic landscape in the fourth quarter of 2012 was characterised mainly by the uneven performance between the advanced and emerging regions. Growth in the major advanced economies weakened, while improvements were recorded in the emerging economies. Economic activity in several advanced economies was constrained by fiscal sustainability concerns, while the slowdown in Japan was partly attributable to weak export performance. In Asia, the growth momentum picked up at a modest pace amid the strengthening of production and regional demand, especially towards the end of the quarter.

Several major central banks undertook easing measures to provide further support to economic activity and to boost sentiments.

While conditions in the international financial markets remained volatile during the quarter, the degree of volatility eased significantly from the highs recorded in the second quarter of the year. Financial markets were affected by the developments in Europe and the impending fiscal cliff in the United States of America.

The euro area remained in recession as it registered its third consecutive negative quarter-on-quarter growth (-0.6%; third quarter of 2012 ("3Q 12"): -0.1%). On an annual basis, real GDP declined by -0.9% (3Q 12: -0.6%). The contraction in economic activity was attributable to decline in domestic demand amid high uncertainties surrounding the sovereign debt crisis and weak global environment that affected export performance. Economic activity in the crisis-affected economies weakened further, weighed down by fiscal austerity measures, higher unemployment, negative sentiments and sluggish bank lending.

(Source: BNM, Quarterly Bulletin Fourth Quarter 2012)

Germany recorded a modest growth of 1.1% (January - June 2011: 3.8%) mainly driven by resilient domestic demand and exports. Employment creation was stable and the unemployment rate improved to 5.5% (July 2011: 5.9%). Export growth slowed to 4.8% (January - June 2011: 14.6%) due to weaker regional demand but continued to contribute to the positive economic performance. Inflation remained low at 2.2% (August 2011: 2.5%) due to easing prices of education and communication services. Amid continued uncertainties and financial tensions related to the euro area crisis and weaker external demand, Germany's economy is expected to grow 0.7% in 2012 (2011: 3%).

(Source: Ministry of Finance, Economic Report 2012/2013)

6.2 Malaysian economy

The Malaysian economy recorded a higher growth of 6.4% in the fourth quarter of 2012 (3Q 12: 5.3%), supported by the continued strength in domestic demand. Total investment remained robust and was the main driver of growth during the quarter. The growth of private consumption continued to remain strong although the pace of increase moderated. Net exports of goods and services continued to contract in the fourth quarter, but by a smaller magnitude. This reflected the contraction in imports following the decline in imports of intermediate goods and lower imports of consumption goods.

Given the smaller contraction in net exports and the sustained growth in domestic demand, overall GDP expanded at a higher rate during the quarter. On the supply side, most economic sectors recorded higher growth during the quarter.

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Gross fixed capital formation remained strong, registering double-digit growth of 15% in the fourth quarter (3Q 12: 22.7%). Private investment advanced by 20.2% (3Q 12: 22.9%), supported by capital spending in the domestic-oriented manufacturing and consumer related services sub-sectors, namely, telecommunications, real estate and aviation.

(Source: BNM Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2012)

6.3 Malaysian E&E industry

On the supply side, growth in most economic sectors improved in the fourth quarter. Growth was led by the manufacturing and services sectors, supported by domestic demand and a gradual improvement in the external environment.

Growth in the manufacturing sector was higher in the fourth quarter with the sector expanding by 5.8% (3Q 12: 3.3%). The expansion was broad-based, with all clusters registering better growth in line with the continued expansion in both domestic demand and the external demand for manufactured products. Growth in the export-oriented industry was led by the primary-related cluster, driven in particular by higher demand for chemicals and refined petroleum products. Growth in the E&E cluster also benefited from the low base in the fourth quarter of 2011 when the global E&E supply chain was disrupted by floods in Thailand. Performance of the domestic oriented industries also strengthened further, driven primarily by the strong expansion in the construction-related cluster, which continued to benefit from robust domestic construction activity. Production in the consumer-related cluster also expanded favourably, especially in transport equipment due to higher production of motor vehicles and related parts.

Overall capacity utilisation rate in the manufacturing sector was sustained in the fourth quarter (80%; 3Q 12: 81%). Export- and domestic-oriented industries were operating at 81% and 79% of total capacity respectively (3Q 12: 80% and 82% respectively).

Gross exports continued to decline (-2.3%) in the fourth quarter, weighed down by further contractions in both manufactured and commodity exports. The decline in manufactured exports was due mainly to weaker demand for electronics and electrical (E&E) products. Non-E&E exports contracted at a slower rate, reflecting sustained regional demand for both resource- and non resource-based products

(Source: BNM Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2012)

6.4 EMS industry and telecommunication industry

The global electronics industry has been undergoing restructuring that is driven by time-to-market and financial considerations. This shift has caused the OEM to divest of their internal manufacturing activities, while the EMS companies are acquiring facilities divested by the OEMs. The OEMs are concentrating on their core competencies of R&D and marketing, while outsourcing the manufacturing activities to the EMS companies.

The intensely competitive nature of the electronics industry, the continually increasing complexity and sophistication of electronics products, pressure on OEMs to reduce product costs, and shorter product life cycles encourage OEMs to utilise the EMS companies as part of their business and manufacturing strategies. The OEMs are able to take advantage of the global design, manufacturing and supply chain management expertise of the EMS companies, which in turn, increase the competitiveness of the OEMs by delivering improved product quality, enhanced performance, faster time-to-market, quicker time-to-volume and reduced costs.

Considering the above, the Board is of the view that there is no close substitute for the EMS industry, unless the OEMs wish to undertake the manufacturing activities themselves.

The global market for ECM was valued at USD410 billion in 2011, and is projected to reach USD435 billion in 2013 and USD670 billion in 2018, a five-year compound annual growth rate ("**CAGR**") of 9% from 2013-2018. The market for ECM can be broken down into three categories by application: computers and telecommunications, consumer and industrial, and other applications. Computers and telecommunications are projected to account for nearly USD250 billion in 2013 and USD389 billion in 2018, a CAGR of 9.3%. The consumer and industrial segment is projected to total of USD132 billion in 2013 and nearly USD203 billion in 2018, a CAGR of 8.9%. Other applications should account for nearly USD54 billion in 2013 and USD78 billion in 2018, a CAGR of 7.9%. ECM services include operations performed by companies, which may include designing, manufacturing, testing, distributing, and providing repair services for electronic assemblies required by OEMs. These services are also referred to as EMS.

Telecommunication has been recognised as a strategic tool for socio-economic development for a nation and plays a phenomenal role in the growth and modernisation of various sectors of an economy. Mass digitalisation has caused customers (both consumers and businesses) to becoming more demanding, expecting always-on service everywhere, and forcing operators to boost network capacity and connectivity. All manner of industries are also becoming increasingly digitalised and demanding a variety of new services like mobile payment platforms and cloud computing. Broadband availability, speed and innovation are drivers to growth in the telecommunication industry. One of the growth drivers is the rollout out of / migration to the "4G LTE" technology (i.e. Fourth Generation Long Term Evolution), which offers faster broadband speed. Considering this advancing technology and consumer behaviour of expecting always-on service everywhere, the Board expects the telecommunication operators to increase their capital expenditure for the deployment of 4G LTE and thus, Singatronics as an EMS company will play a supporting role to supply various telecommunication devices to the telecommunication operators and/or OEMs.

6.5 Prospects of our Group

Our Board views the future prospects of Singatronics (the only active subsidiary of our Group) to be favorable given the business plan being taken by the management of Singatronics as summarised below:

(i) Diversification of products and industry sectors

Currently, Singatronics has secured purchase orders from Sphairon for the production and delivery of EasyBox for Vodafone, a type of modem for broadband networking. These orders shall bring our Group into 2013. The MOU will also allow Singatronics to provide a range of production services and network protocol device assembly and test services for Sphairon and its customers (which are mainly established telecommunication providers in Europe), including but not limited to German national clients like Deutsche Telekom, HanseNet, Versatel and Vodafone, as well as international clients like Swisscom, Austria Telekom and Telefonica). Sphairon has more than fifty (50) years of experience in the telecommunication development and production and is headquartered in Bautzen, Germany. Its products include network terminals for ISDN, ADSL and VDSL networks as well as VoIP solutions for next generation networks. Sphairon provides a complete value chain with in-house R&D, production and service, international sales and support as well as comprehensive possibilities for certification and system testing *(Source: www.sphairon.com)*.

Further, Singatronics has also produced prototype samples for several of its customers involved in healthcare and electronics commercial sectors, samples of which are still subject to further qualification and reliability testing by the customers.

Our Board believes any future orders from these customers will further improve the financial performance of our Group.

Moving forward, Singatronics will focus on telecommunications, networking and consumer electronics, including a full range of electronic design and manufacturing services to customers. Notwithstanding this, Singatronics' EMS product lines shall also provide value-added contract manufacturing services to three (3) other sectors, namely industrial, healthcare and consumer products. This business plan enables our Group to balance out inherent risks in the respective sectors and optimises the production capacity of Singatronics.

(ii) **R&D efforts**

Pursuant to the MOU, Singatronics and Sphairon will co-operate to transfer telecommunication technologies to Singatronics. Singatronics can leverage on this R&D co-operation to build a good business relationship with Sphairon and to strengthen its R&D capabilities.

Through this R&D co-operation, Singatronics will be able to keep abreast of new technological development and to diversify its range of products for telecommunication, networking and consumer electronics sectors. This, in turn, will allow Singatronics to develop new business opportunities with existing and new customers.

(iii) **Quality customer service programs**

Singatronics continuously reviews its customer support system to ensure that a good business relationship is maintained with the customers. Singatronics intends to appoint key liaison officers to manage the dealings with its customers. This shall enable Singatronics to work closely with its customers to evaluate and attain a better understanding of their requirements, which serves as a feedback mechanism for continuous products and services improvements.

7. EFFECTS OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS

7.1 Issued and paid-up share capital

The effects of the Rights Issue of Shares with Warrants on the issued and paid-up share capital of our Company are as follows:

Minimum Scenario

	No. of Astral Shares ('000)	RM ('000)
Issued and paid-up share capital as at LPD	171,087	34,217
To be issued pursuant to the Rights Issue of Shares with Warrants	54,977	10,995
	226,064	45,212
To be issued upon full exercise of Warrants 2011/2016[1]	38,727	7,745
To be issued upon full exercise of New Warrants	32,986	6,597
To be issued upon full conversion of ICULS[2]	3,613	723
Enlarged issued and paid-up share capital	301,390	60,277

Maximum Scenario

	No. of Astral Shares ('000)	RM ('000)
Issued and paid-up share capital as at as at LPD	171,087	34,217
To be issued upon full conversion of ICULS[3]	7,226	1,445
To be issued upon full exercise of Warrants 2011/2016	38,727	7,745
	217,040	43,407
To be issued pursuant to the Rights Issue of Shares with Warrants	217,040	43,407
	434,080	86,815*
To be issued upon full exercise of the New Warrants	130,224	26,045
Enlarged issued and paid-up share capital	**564,304**	**112,860**

Notes:

* *Rounding error.*

(1) *As at the LPD, the number of unexercised Warrants 2011/2016 2016 is 38,727,400 and the exercise price for Warrants 2011/2016 is RM0.20 each. Pursuant to the provisions under the deed poll dated 30 June 2011 constituting the Warrants 2011/2016 2016, and the 5D-VWAP of Astral Shares up to the date preceding the announcement of the entitlement date for the Rights Issue of Shares with Warrants, no adjustment will be required to be made on the exercise price and number of outstanding Warrants 2011/2016 in relation to the Rights Issue of Shares with Warrants.*

(2) *Pursuant to the trust deed dated 30 June 2011 constituting the ICULS, the conversion price for the ICULS shall be RM0.20 payable either (i) solely by tendering two (2) ICULS for one (1) new Astral Share or (ii) by the combination of tendering one (1) ICULS for one (1) new Astral Share and RM0.10 by cash. Under the Minimum Scenario and in determining the minimum number of Astral Shares to be in issued upon exercise/conversion of existing outstanding convertible securities of Astral, it is assumed that the ICULS are converted into new Astral Shares by tendering two (2) ICULS for one (1) new Astral Share and the conversion price of the ICULS is RM0.20 (based on the issued and paid-up share capital of Astral as at the LPD and the 5D-VWAP of Astral Shares up to 11 October 2012, being the last trading date prior to the announcement of the Corporate Exercises).*

(3) *Pursuant to the trust deed dated 30 June 2011 constituting the ICULS, the conversion price for the ICULS shall be RM0.20 payable either (i) solely by tendering two (2) ICULS for one (1) new Astral Share or (ii) by the combination of tendering one (1) ICULS for one (1) new Astral Share and RM0.10 by cash. Under the Maximum Scenario and in determining the maximum number of Astral Shares to be in issued upon exercise/conversion of existing outstanding convertible securities of Astral, it is assumed that the ICULS are converted into new Astral Shares by tendering one (1) ICULS for one (1) new Astral Share and the balance amount to be settled in cash. There shall be no adjustment to the conversion price of the ICULS under the Maximum Scenario as it is assumed that the ICULS are converted into new Astral Shares prior to the implementation of the Rights Issue of Shares with Warrants.*

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7.2 NA and gearing

Based on our audited statement of financial position as at 31 December 2012 and on the assumption that the Rights Issue of Shares with Warrants had been effected on that date, the proforma effect of the Rights Issue of Shares with Warrants on our NA per Share and gearing are as follows:

Minimum Scenario

	(Audited) As at 31 December 2012 (RM'000)	(I) After the Rights Issue of Shares with Warrants (RM'000)	(II) After (I) and the full exercise of Warrants 2011/2016 (RM'000)
Share capital	34,217	45,212	[3]52,957
Share premium	10,245	[1]4,617	[4]6,515
Capital reserve	5,528	5,528	5,528
ICULS	1,108	1,108	1,108
Warrant reserve	1,898	[2]6,846	[4]4,948
Accumulated losses	(33,524)	[1](33,544)	(33,544)
Shareholders' funds / NA	**19,472**	**29,767**	**37,512**
No. of Shares in issue ('000)	171,087	226,064	264,791
NA per Share (RM)	0.11	0.13	0.14
Total borrowings	1,948	1,948	1,948
Gearing (time)	0.10	0.07	0.05

	(III) After (II) and the full exercise of New Warrants (RM'000)	(IV) After (III) and the full conversion of ICULS (RM'000)
Share capital	59,554	[5]60,277
Share premium	[4]11,463	11,463
Capital reserve	5,528	5,528
ICULS	1,108	-
Warrant reserve	[4]-	-
Accumulated losses	(33,544)	(33,090)
Shareholders' funds / NA	**44,109**	**44,178**
No. of Shares in issue ('000)	297,777	301,390
NA per Share (RM)	0.15	0.15
Total borrowings	1,948	1,948
Gearing (time)	0.04	0.04

Notes:

(1) *After deducting estimated expenses of RM700,000 for the Corporate Exercises.*

(2) *Based on the theoretical fair value of the New Warrants of approximately RM0.15 per New Warrant which was derived based on Binomial Option Pricing Model.*

(3) *As at the LPD, the number of unexercised Warrants 2011/2016 is 38,727,400 and the exercise price for Warrants 2011/2016 is RM0.20 each. Pursuant to the provisions under the deed poll dated 30 June 2011 constituting the Warrants 2011/2016 and the 5D-VWAP of Astral Shares up to the date preceding the announcement of the entitlement date for the Rights Issue of Shares with Warrants, no adjustment will be required to be made on the exercise price and number of outstanding Warrants 2011/2016 in relation to the Rights Issue of Shares with Warrants.*

(4) *The warrant reserves will be transferred to share premium account upon full exercise of the Warrants 2011/2016 and the New Warrants.*

(5) *Pursuant to the trust deed dated 30 June 2011 constituting the ICULS, the conversion price for the ICULS shall be RM0.20 payable either (i) solely by tendering two (2) ICULS for one (1) new Astral Share or (ii) by the combination of tendering one (1) ICULS for one (1) new Astral Share and RM0.10 by cash. Under the Minimum Scenario and in determining the minimum number of Astral Shares to be in issued upon exercise/conversion of existing outstanding convertible securities of Astral, it is assumed that the ICULS are converted into new Astral Shares by tendering two (2) ICULS for one (1) new Astral Share and the conversion price of the ICULS is RM0.20 (based on the issued and paid-up share capital of Astral as at the LPD and the 5D-VWAP of Astral Shares up to 11 October 2012, being the last trading date prior to the announcement of the Corporate Exercises).*

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Maximum Scenario

	(Audited) As at 31 December 2012 (RM'000)	(I) After full conversion of ICULS (RM'000)	(II) After (I) and the full exercise of Warrants 2011/2016 (RM'000)
Share capital	34,217	(1)35,662	43,407
Share premium	10,245	10,245	(5)12,143
Capital reserve	5,528	5,528	5,528
ICULS	1,108	(1)-	-
Other reserve	-	-	-
Warrant reserve	1,898	1,898	(5)-
Accumulated losses	(33,524)	(33,069)	(33,069)
Shareholders' funds / NA	**19,472**	**20,264**	**28,009**
No. of Shares in issue ('000)	171,087	178,312	217,040
NA per Share (RM)	0.11	0.11	0.13
Total borrowings	1,948	1,948	1,948
Gearing (time)	0.10	0.10	0.07

	(III) After (II) and the Rights Issue of Shares with Warrants (RM'000)	(IV) After (III) and the full exercise of New Warrants (RM'000)
Share capital	86,815	112,860
Share premium	(2)(3)-	(5)11,463
Capital reserve	5,528	5,528
ICULS	-	-
Other reserve	(2)(8,071)	-
Warrant reserve	(2)19,534	(5)-
Accumulated losses	(3)(33,089)	(33,089)
Shareholders' funds / NA	**70,717**	**96,762**
No. of Shares in issue ('000)	434,079	564,303
NA per Share (RM)	0.16	0.17
Total borrowings	(4)-	-
Gearing (time)	-	-

Notes:

(1) *Pursuant to the trust deed dated 30 June 2011 constituting the ICULS, the conversion price for the ICULS shall be RM0.20 payable either (i) solely by tendering two (2) ICULS for one (1) new Astral Share or (ii) by the combination of tendering one (1) ICULS for one (1) new Astral Share and RM0.10 by cash. Under the Maximum Scenario and in determining the maximum number of Astral Shares to be in issued upon exercise/conversion of existing outstanding convertible securities of Astral, it is assumed that the ICULS are converted into new Astral Shares by tendering one (1) ICULS for one (1) new Astral Share and the balance amount to be settled in cash. There shall be no adjustment to the conversion price of the ICULS under the Maximum Scenario as it is assumed that the ICULS are converted into new Astral Shares prior to the implementation of the Rights Issue of Shares with Warrants.*

(2) *Based on the theoretical fair value of the New Warrants of approximately RM0.15 per New Warrant which was derived based on Binomial Option Pricing Model.*

(3) *After deducting estimated expenses of RM700,000 for the Corporate Exercises.*

(4) *Part of the proceeds from the Rights Issue of Shares with Warrants shall be utilised to repay the bank borrowings.*

(5) *The warrant reserves will be transferred to share premium account upon full exercise of the Warrants 2011/2016 and the New Warrants.*

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7.3 Earnings and EPS

The Rights Issue of Shares with Warrants is not expected to have an immediate material effect on the consolidated earnings and EPS of our Company for the FYE 31 December 2013 as the proceeds to be raised are expected to be utilised between six (6) months and twenty four (24) months from the listing of the Rights Shares. However, it is expected to contribute positively to the future earnings of our Group when the benefits of the utilisation of proceeds are realised.

The surplus of proceeds, if any, raised beyond the Minimum Subscription Level will be utilised, *inter alia*, as additional working capital for our Group to undertake more business activities for the ECM division, to participate in the R&D co-operation with Sphairon to develop new products under the ECM division, to renovate the factory and to acquire new equipment. Our Board is of the view that these developments will contribute positively to our Group's future earnings and improve our financial performance.

However, the EPS of our Group shall be correspondingly diluted as a result of the increase in the number of Astral Shares in issue pursuant to the issuance of the Rights Shares and the new Astral Shares arising from the exercise of the New Warrants in the future. The effect of any exercise of the New Warrants on our Company's consolidated EPS would be dependent on the returns generated by our Company from the utilisation of proceeds arising from the exercise of the New Warrants.

7.4 Convertible securities

As at the LPD, our Company has 38,727,400 unexercised Warrants 2011/2016 and 7,225,500 outstanding ICULS. As a result of the Rights Issue of Shares with Warrants and pursuant to the provisions of the deed poll and the trust deed dated 30 June 2011 constituting the Warrants 2011/2016 and the ICULS, respectively, there shall be no adjustment to the exercise price and number of outstanding Warrants 2011/2016 and the conversion price of the ICULS, which remain unexercised/outstanding as at the Entitlement Date.

As at the LPD, save for the Warrants 2011/2016 and the ICULS, we do not have any other convertible securities in issue.

8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

8.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds from the Rights Issue of Shares with Warrants, cash in hand, funds generated from our operation and banking facilities available, our Group will have adequate working capital to meet our current core business requirements for the next twelve (12) months from the date of this AP.

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8.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM1.60 million, all of which are hire purchase facilities with interest-bearing and from local financial institutions, details of which are as follows:

	Interest-bearing borrowing RM
Short term borrowing:	
Hire purchase	459,866
Long term borrowing:	
Hire purchase	1,139,294
TOTAL	**1,599,160**

All outstanding borrowings are denominated in RM. As at the LPD, our Group does not have any non-interest bearing and/or foreign currency borrowings. There was no default on payment of either interest or principal sums in respect of any borrowing, throughout the past one (1) FYE 31 December 2012 and the subsequent financial period thereof up to the LPD.

8.3 Contingent liabilities

After making all reasonable enquiries and save as disclosed below, as at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Company or our Group, which may have material impact on the financial position of our Group:

	GROUP / COMPANY	
	LPD	FYE 31 DECEMBER 2012
	RM'000	RM'000
Corporate guarantees given to associate company	3,877	3,877

8.4 Material commitments

After making all reasonable enquiries, as at the LPD, our Board is not aware of any material commitment incurred or known to be incurred by our Group which, upon becoming enforceable, may have material impact on our Group's financial position.

9. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE / TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS

9.1 General

As an Entitled Shareholder of our Company, your CDS Account will be duly credited with the number of provisional Rights Shares with New Warrants which you are entitled to subscribe for, in full or in part, under the terms and conditions of the Rights Issues of Shares with Warrants. You will find enclosed with this AP, the NPA notifying you of the crediting of such number of provisional Rights Shares with New Warrants into your CDS Account, and the RSF to enable you to subscribe for such Rights Shares with New Warrants that you have been provisionally allotted, as well as apply for the Excess Rights Shares with New Warrants if you choose to.

This AP and the RSF are also available on Bursa Securities' website (http://www.bursamalaysia.com).

9.2 NPA

The provisional Rights Shares with New Warrants are prescribed securities pursuant to Section 14(5) of the SIDCA and therefore, all dealings in the provisional Rights Shares with New Warrants will be by book entries through the CDS Accounts and will be governed by the SIDCA and the Rules of Bursa Depository. You and/or your renouncees (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

9.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the provisional Rights Shares with New Warrants is at **5.00 p.m. on 14 June 2013**, or such extended date and time as our Board may decide at its absolute discretion. Where the closing date of the acceptance is extended from the original date and time, the announcement of such extension will be made not less than two (2) Market Days before the original closing date. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

9.4 Procedures for full acceptance and payment

Acceptance of and payment for the provisional Rights Shares with New Warrants must be made on the respective RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this AP, the NPA or the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH NEW WARRANTS, EXCESS APPLICATION FOR THE RIGHTS SHARES WITH NEW WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

YOU AND/OR YOUR RENOUNCEES (IF APPLICABLE) ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIES WITH THIS AP.

If you wish to accept all or part of your entitlement, please complete Part I of the RSF in accordance with the notes and instructions contained in the RSF. You must despatch the completed RSF together with the relevant payment by **ORDINARY POST, COURIER** or **DELIVERY BY HAND** in the official envelope provided (at your own risk) to our Share Registrar at the following address:

FOR DELIVERY BY HAND / COURIER	**FOR ORDINARY POST**
Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan	Peti Surat 9150 Pejabat Pos Kelana Jaya 46785 Petaling Jaya Selangor Darul Ehsan

Tel: (603) 7841 8000
Helpdesk: (603) 7849 0777
Fax: (603) 7841 8151 / 8152

The completed and signed RSF must arrive at our Share Registrar not later than **5.00 p.m. on 14 June 2013**, being the last date and time for acceptance and payment, or such extended date and time as our Board at its absolute discretion may decide and announce not less than two (2) Market Days before the original date and time.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbroker, our Share Registrar, our registered office or Bursa Securities' website at http://www.bursamalaysia.com.

You can use one (1) RSF for the acceptance of the provisional Rights Shares with New Warrants standing to the credit of one (1) CDS Account. If you have more than one (1) CDS Accounts credited with the provisional Rights Shares with New Warrants, separate RSF(s) must be used for the acceptance of the provisional Rights Shares with New Warrants standing to the credit of each CDS Account. If successful, the Rights Shares with New Warrants that you and/or your renouncees (if applicable) have subscribed will be credited into the respective CDS Accounts where the provisional Rights Shares with New Warrants were standing to the credit.

A reply envelope is enclosed in this AP. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You should take note that a trading board lot for the Rights Shares and New Warrants will comprise of one hundred (100) Rights Shares and one hundred (100) New Warrants each, respectively. Successful applicants of the Rights Shares will be given the New Warrants on the basis of three (3) New Warrants for every five (5) Rights Shares successfully subscribed for. The minimum number of Rights Shares that can be accepted is one (1) Rights Share, which will be accompanied with 0.6 New Warrants. The minimum number of New Warrants that can be issued and alloted with the accepted Rights Shares is one (1) New Warrant.

Any fractional Warrants will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit and expedient, and to be in the best interest of our Company.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY APPROPRIATE REMITTANCE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH NEW WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT/ CASHIER'S ORDER/ MONEY ORDER OR POSTAL ORDER DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MUST BE MADE PAYABLE TO "ASTRAL SUPREME RIGHTS ISSUE ACCOUNT", CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND ADDRESS IN BLOCK LETTERS, YOUR CONTACT NUMBER AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES POROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR RECEIPT OF THE RSF OR APPLICATION MONIES BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS. NOTICES OF ALLOTMENT WILL BE DESPATCHED BY ORDINARY POST TO THE SUCCESSFUL APPLICANTS AT THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH NEW WARRANTS, OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR OR OUR COMPANY.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY'S AT YOUR OWN RISK.

If the acceptance and payment for the provisional Rights Shares with New Warrants is received by our Share Registrar later than **5.00 p.m. on 14 June 2013**, being the last date and time for acceptance and payment, or such extended date and time as may be determined and announced by our Board, the said provisional allotment to you will be deemed to have declined and will be cancelled and such Rights Shares with New Warrants not taken up will be allotted to applicants who have applied for excess application in the manner as set out in Section 9.6 of this AP.

9.5 Procedures for sale / transfer of provisional Rights Shares with New Warrants

The provisional Rights Shares with New Warrants are renounceable. If you wish to sell or transfer all or part of your provisional Rights Shares with New Warrants to one (1) or more persons, you may do so through your stockbroker without first having to request for a split of the provisional Rights Shares with New Warrants standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the provisional Rights Shares with New Warrants, you may sell such entitlement in the open market or transfer such provisional allotment to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your provisional Rights Shares with New Warrants, you need not deliver the RSF or any document to the stockbroker. You are however advised to ensure that there is sufficient provisional Rights Shares with New Warrants standing to the credit of your CDS Account before selling or transferring.

Purchaser or transferee of the provisional Rights Shares with New Warrants may obtain a copy of this AP and the RSF from their stockbrokers or from our Share Registrar or at our Registered Office. This AP and the RSF are also available on Bursa Securities' website at http://www.bursamalaysia.com.

If you have sold or transferred only part of the provisional Rights Shares with New Warrants, you may still accept the balance of the provisional Rights Shares with New Warrants by completing Part I of the RSF and deliver the completed RSF together with the full amount payable on the balance of the Rights Shares with New Warrants applied for to our Share Registrar in the manner as set out in Section 9.4 of this AP

IF YOU SELL OR TRANSFER THE PROVISIONAL RIGHTS SHARES WITH NEW WARRANTS, YOU WILL AUTOMATICALLY BE SELLING OR TRANSFERRING YOUR ENTITLEMENTS TO THE RIGHTS SHARES WITH NEW WARRANTS. YOU CANNOT DISPOSE OF YOUR ENTITLEMENTS IN ANY OTHER PROPORTIONS OTHER THAN THAT STATED ABOVE.

ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEES (IF APPLICABLE) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

9.6 Procedures for application for Excess Rights Shares with New Warrants

You and/or your renounces who have accepted the provisional Rights Shares with New Warrants may apply for additional Rights Shares with New Warrants in excess of your entitlement by completing Part II of the RSF (in addition to Part I of the RSF). Submit each completed and signed RSF, together with the relevant payment (**separate remittance** for the full amount payable in respect of the Excess Rights Shares with New Warrants applied for) in the official envelope provided to our Share Registrar at the following address by **ORDINARY POST, COURIER OR DELIVERY BY HAND** (at your own risk):

FOR DELIVERY BY HAND / COURIER
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

FOR ORDINARY POST
Peti Surat 9150
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Selangor Darul Ehsan

Tel: (603) 7841 8000
Helpdesk: (603) 7849 0777
Fax: (603) 7841 8151 / 8152

The completed and signed RSF must arrive at out Share Registrar not later than 5.00 p.m. on 14 June 2013, being the last time and date for acceptance and payment, or such extended time and date as our Board at its absolute discretion may determine and announce not less than two (2) Market Days before the original date and time.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH NEW WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 9.4 OF THIS AP, WHERE THE BANKER'S DRAFT/ CASHIER'S ORDER/ MONEY ORDER OR POSTAL ORDER DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MADE PAYABLE TO "ASTRAL SUPREME EXCESS RIGHTS ISSUE ACCOUNT", CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND ADDRESS IN BLOCK LETTERS, YOUR CDS ACCOUNT NUMBER AND CONTACT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

It is the intention of our Board to allot the Excess Rights Shares with New Warrants, if any, in a fair and equitable basis and in the following manner:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, on the pro-rata basis to our Entitled Shareholders who have applied for the Excess Rights Shares with New Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date, on a board lot basis;

(iii) thirdly, on a pro-rata basis to our Entitled Shareholders who have applied for Excess Rights Shares with New Warrants, taking into consideration the quantum of their respective excess application;

(iv) fourthly, on a pro-rata basis to transferees and/or renouncees who have applied for Excess Rights Shares with New Warrants, taking into consideration the quantum of their respective excess application, on a board lot basis; and

(v) lastly, in the event that there are still unsubscribed Rights Shares with New Warrants after allocating all the Excess Rights Shares with New Warrants, the remaining unsubscribed Rights Shares with New Warrants will be subscribed by our Executive Director namely, Cherng, pursuant to his irrevocable and unconditional written undertaking.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with New Warrants applied for under Part II of the RSF in such manner as it deems fit and expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i) to (iv) above are achieved. Our Board also reserves the right to accept any Excess Rights Shares with New Warrants application, in full or in part, without assigning any reason.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH NEW WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH NEW WARRANTS, AND NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THE SUCCESSFUL APPLICANTS AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH NEW WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH NEW WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES (AS THE CASE MAY BE), WILL BE REFUNDED TO THE APPLICANT WITHOUT INTEREST WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH NEW WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK.

9.7 Procedure for acceptance by renouncees

Renouncees who wish to accept, sell or transfer the provisional Rights Shares with New Warrants and/or apply for Excess Rights Shares with New Warrants must obtain a copy of the RSF from their stockbrokers or our Share Registrar or at our Registered Office or from the Bursa Securities' website at http://www.bursamalaysia.com and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 9.4 of this AP and the procedures for application for Excess Rights Shares with New Warrants as set out in Section 9.6 of this AP also apply to renouncees who wish to accept the provisional Rights Shares with New Warrants and/or apply for Excess Rights Shares with New Warrants.

RENOUNCEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS AP AND THE RSF.

9.8 Form of issuance

Bursa Securities has prescribed that our securities listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with New Warrants and the new Astral Shares to be issued arising from the exercise of the New Warrants and the additional Warrants 2011/2016 (if any) are prescribed securities and as such the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the Rights Shares with New Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. Your subscription for the Rights Shares with New Warrants shall mean your consent to receiving such Rights Shares with New Warrants as deposited securities which will be credited directly into your CDS Account. No physical share certificate or warrant certificate will be issued to you under the Rights Issue of Shares with Warrants. Instead, the Rights Shares with New Warrants will be credited directly into your CDS Accounts, and notices of allotment will be despatched by ordinary post to you and/or your renouncees (if applicable) at your own risk at the address shown in the Record of Depositors provided by Bursa Depository within eight (8) Market Days from the last date and time for acceptance and payment of the Rights Issue of Shares with Warrants or such other period as may be prescribed by Bursa Securities.

Any person who has purchased the provisional Rights Shares with New Warrants or to whom provisional Rights Shares with New Warrants has been transferred and intends to subscribe for the Rights Shares with New Warrants must state his/her CDS Account number in the space provided in the RSF. The Rights Shares with New Warrants will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issue.

The Excess Rights Shares with New Warrants, if allotted to the successful applicant who applies for Excess Rights Shares with New Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess Rights Shares with New Warrants will be made on a fair and equitable basis as disclosed in Section 9.6 of this AP.

9.9 Notice of allotment

Upon allotment of the Rights Shares with New Warrants in respect of your acceptance and/or your renouncee's acceptance (if applicable) and Excess Rights Shares with New Warrants application (if any), the Rights Shares with New Warrants shall be credited directly into the respective CDS Account. No physical share certificate or warrant certificate will be issued in respect of the Rights Shares with New Warrants. However, a notice of allotment will be despatched to you and/or your renouncees (if applicable), at your own risk by ordinary post within eight (8) Market Days from the last date of acceptance and payment for the Rights Shares with New Warrants and Excess Rights Shares with New Warrants application, or such other period as may be prescribed by Bursa Securities, at the address shown on the Record of Depositors provided by Bursa Depositors.

Where any application for the Rights Shares with New Warrants is not accepted due to non-compliance with the terms of the Rights Issue of Shares with Warrants or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and be despatched to you within fifteen (15) Market Days from the last date and time for acceptance and payment of the Rights Shares with New Warrants by ordinary post to the address shown on the Record of Depositors at your own risk.

The allotment of the Rights Shares with New Warrants, despatch of notice of allotment and application to Bursa Securities for the listing of and quotation for the Rights Shares with New Warrants will be made within eight (8) Market Days from the last date and time for acceptance of and payment for the Rights Shares with New Warrants or such other period as may be prescribed by Bursa Securities.

Please note that a completed RSF and the payment thereof once lodged with our Share Registrar for the Rights Issue of Shares with Warrants cannot be withdrawn subsequently.

9.10 Laws of foreign jurisdictions

This AP and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue of Shares with Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this AP together with the accompanying documents will not be sent to the foreign Entitled Shareholders and/or their renouncees (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renouncees (if applicable) may collect this AP including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to the Rights Issue of Shares with Warrants.

Foreign Entitled Shareholders and/or their renouncees (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of Shares with Warrants only to the extent that it would be lawful to do so.

TA Securities, our Company and our Directors and officers would not, in connection with the Rights Issue of Shares with Warrants, be in breach of, responsible or liable under the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renouncees (if applicable) are or may be subject to. They shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. TA Securities, our Company and our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renouncees (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The foreign Entitled Shareholders and/or their renouncees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renouncees (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against our Company and/or TA Securities in respect of their rights and entitlements under the Rights Issue of Shares with Warrants. Such foreign Entitled Shareholders and/or their renouncees (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of Shares with Warrants.

By signing the RSF, the foreign Entitled Shareholders and/or their renouncees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) TA Securities, our Company and our Directors and officers that:

(i) our Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue of Shares with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renouncees (if applicable) are or may be subject to;

(ii) the foreign Entitled Shareholders and/or their renouncees (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the provisional Rights Shares with New Warrants;

(iii) the foreign Entitled Shareholders and/or their renouncees (if applicable) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation of the provisional Rights Shares with New Warrants, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

(iv) the foreign Entitled Shareholders and/or their renouncees (if applicable) are aware that the Rights Shares with New Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) the foreign Entitled Shareholders and/or their renouncees (if applicable) have received a copy of this AP and have had access to such financial and other information and have been provided the opportunity to pose such questions to the representatives of our Company and receive answers thereto as the foreign Entitled Shareholders and/or their renouncees (if applicable) deem necessary in connection with the foreign Entitled Shareholders' and/or their renouncees' (if applicable) decision to subscribe for or purchase the Rights Shares with New Warrants. However, any information relevant to an investment shall be contained in this AP; and

(vi) the foreign Entitled Shareholders and/or their renouncees (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with New Warrants, and are and will be able and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with New Warrants.

Persons receiving this AP, the NPA and the RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this AP, the NPA and the RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this AP, the NPA and the RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with New Warrants from any such application by foreign Entitled Shareholders and/or their renouncees (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Shares with New Warrants as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

10. TERMS AND CONDITIONS

The issuance of the Rights Shares and New Warrants pursuant to the Rights Issue of Shares with Warrants is governed by the terms and conditions as set out in this AP, the Deed Poll, the NPA and the RSF enclosed herewith.

11. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully
For and behalf of the Board of
ASTRAL SUPREME BERHAD

ONG TAI CHIN @ WONG TAI CHIN
MANAGING DIRECTOR

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CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION IN RELATION TO THE RIGHTS ISSUE OF SHARES WITH WARRANTS PASSED AT OUR EGM HELD ON 13 MARCH 2013

ASTRAL SUPREME BERHAD
(Company No. 442371-A)
(Incorporated in Malaysia)

CERTIFIED EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON 13 MARCH 2013

It was unanimously Resolved:-

"Ordinary Resolution 1:

Proposed Renounceable Rights Issue of up to 217,039,750 New Ordinary Shares of RM0.20 each in Astral ("Astral Share") ("Rights Share") at an Issue Price of RM0.20 Per Rights Share on the Basis of One (1) Rights Share for Every One (1) Existing Astral Share Held on an Entitlement Date to be Determined Later ("Entitlement Date"), Together with up to 130,223,850 Free Detachable New Warrants ("New Warrants") on the Basis of Three (3) New Warrants for Every Five (5) Rights Shares Subscribed by the Entitled Shareholders ("Proposed Rights Issue Of Shares With Warrants")

THAT, subject to Ordinary Resolution 2 and the approvals of all relevant authorities including but not limited to, the approval-in-principle of Bursa Malaysia Securities Berhad ("Bursa Securities") for the admission of the New Warrants to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the Rights Shares and New Warrants and the new shares in the Company arising from the exercise of the New Warrants, approval be and is hereby given to the Directors of the Company to:-

(i) provisionally allot and issue by way of renounceable rights issue of up to 217,039,750 Rights Shares at an issue price of RM0.20 per Right Share on the basis of (1) Rights Share for every one (1) existing Astral Share held on an entitlement date to be determined later by the Board of Directors, together with up to 130,223,850 free detachable New Warrants on the basis of three (3) New Warrants for every five (5) Rights Shares subscribed by the Entitled Shareholders;

(ii) deal with fractional entitlements under the Proposed Rights Issue of Shares with Warrants arising from any reason whatsoever as the Board of Directors may at its absolute discretion deem fit or expedient or in the best interest of the Company;

(iii) allot the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Board of Directors in its absolute discretion;

(iv) utilise the proceeds to be derived from the Proposed Rights Issue of Shares with Warrants in the manner as set out in Section 3 of the Circular to Shareholders of Astral dated 26 February 2013 ("Circular") and the Directors of the Company be and are hereby authorised to revise the manner and purpose of utilisation of proceeds as they may deem fit and in the interest of the Company subject (where required) to the approval of the relevant authorities;

ASTRAL SUPREME BERHAD
(Company No. 442371-A)
(Incorporated in Malaysia)

(Certified Extract of the Minutes of Extraordinary General Meeting held on 13 March 2013- cont'd)

(v) create and issue the New Warrants based on the indicative principal terms as set out in Appendix II of the Circular and the terms and conditions of a deed poll to be executed by the Company constituting the New Warrants ("Deed Poll");

(vi) allot and issue such further New Warrants as may be required or permitted to be issued as a result of any adjustments under the provisions of the Deed Poll;

(vii) allot and issue new Astral Shares pursuant to the exercise of the New Warrants (including further New Warrants arising from any adjustments under the provisions of the Deed Poll);

(viii) enter into and execute the Deed Poll constituting the New Warrants and to do all acts, deed and things as they may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll;

(ix) allot and issue such further Warrants 2011/2016 as may be required or permitted to be issued as a result of any adjustments under the provisions of the deed poll dated 30 June 2011 governing the Warrants 2011/2016; and

(x) allot and issue new Astral Shares pursuant to the exercise of the additional Warrants 2011/2016 (arising from any adjustments under the provisions of the deed poll dated 30 June 2011 governing the Warrants 2011/2016);

THAT, the Rights Shares and the new Astral Shares pursuant to the exercise of the New Warrants and the additional Warrants 2011/2016 so issued and allotted to the shareholders shall rank parri passu in all respects with the then existing issued and fully paid-up ordinary shares of the Company save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid prior to the date of allotment of the Rights Shares and the new Astral Shares to be issued pursuant to the exercise of the New Warrants and the additional Warrants 2011/2016;

AND THAT, the Directors of the Company be and are hereby empowered and authorised to do all such acts and things, take such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to implement, finalise and/or give full effect to the Proposed Rights Issue of Shares with Warrants with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant authority or as a consequence of any such requirement as may be deemed necessary and/or expedient in the best interest of the Company."

ASTRAL SUPREME BERHAD
(Company No. 442371-A)
(Incorporated in Malaysia)

(Certified Extract of the Minutes of Extraordinary General Meeting held on 13 March 2013- cont'd)

"Ordinary Resolution 2:

Proposed Increase in the Authorised Share Capital of Astral from RM100,000,000 Comprising 500,000,000 Ordinary Shares of RM0.20 each in Astral ("Astral Shares") to RM500,000,000 Comprising 2,500,000,000 Astral Shares ("Proposed Increase in Authorised Share Capital")

THAT, subject to the passing of Ordinary Resolution 1, the authorised share capital of Astral be and is hereby increased from RM100,000,000 comprising 500,000,000 Astral Shares to RM500,000,000 comprising 2,500,000,000 Astral Shares by the creation of an additional 2,000,000,000 new Astral Shares AND THAT in consequence thereof, Clause 5 of the Memorandum and Articles of Association of the Company and all other relevant documents be and are hereby amended accordingly;

AND THAT, the Directors be and are hereby authorised to take all steps or do all acts as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Increase in Authorised Share Capital."

CERTIFIED TRUE COPY

CHAIRMAN
YAP CHI KEONG

SECRETARY
CHUA SIEW CHUAN (F)
(MAICSA 0777689)
(PRACTITIONER)

Date: 13 March 2013

1. HISTORY OF OUR BUSINESS

Our Company was incorporated in Malaysia under the Act on 11 August 1997 as a private limited company under the name of Astral Supreme Sdn Bhd and was converted into a public company on 23 October 1997 upon which it assumed its present name. It was listed on the Second Board of Bursa Securities on 10 February 1999 (now listed on the Main Market of Bursa Securities).

2. PRINCIPAL ACTIVITIES

The principal activity of our Company is that of investment holding. The principal activities of our subsidiaries and associated companies are set out in Section 6 of this Appendix.

3. SHARE CAPITAL

Our authorised and issued and paid-up share capitals as at the LPD are as follows:

Type	No. of Shares	Par value RM	Total RM
Authorised share capital	2,500,000,000	0.20	500,000,000
Issued and fully paid-up share capital	171,086,850	0.20	34,217,370

The change in our authorised share capital for the past three (3) years preceding the LPD is set out below:

Date of change	No. of Shares authorised	Par value RM	Description	Cumulative authorised share capital RM
28 June 2011	500,000,000	0.20	Par value reduction from RM1.00 each to RM0.20 each	100,000,000
13 March 2013	2,500,000,000	0.20	Increase in authorised share capital	500,000,000

The change in our issued and paid-up share capital for the past three (3) years preceding the LPD is set out below:

Date of allotment	No. of shares allotted	Par value RM	Consideration / Type of issue	Cumulative issued and paid-up share capital RM
28 June 2011	-	0.20	Par value reduction from RM1.00 each to RM0.20 each	9,000,000
9 August 2011	39,857,200	0.20	Rights issue of one (1) rights share for every one (1) existing Astral Share	16,971,440
14 October 2011	1,000,000	0.20	Conversion of ICULS	17,171,440
20 October 2011	12,000,000	0.20	Conversion of ICULS	19,571,440
27 October 2011	10,000,000	0.20	Conversion of ICULS	21,571,440
10 November 2011	5,200,000	0.20	Conversion of ICULS	22,611,440
20 December 2011	3,000,000	0.20	Conversion of ICULS	23,211,440
27 December 2011	550,000	0.20	Conversion of ICULS	23,321,440
3 January 2012	2,519,650	0.20	Conversion of ICULS	23,825,370
10 January 2012	1,486,100	0.20	Conversion of ICULS	24,122,590

Date of allotment	No. of shares allotted	Par value RM	Consideration / Type of issue	Cumulative issued and paid-up share capital RM
23 February 2012	20,000,000	0.20	Conversion of ICULS	28,122,590
27 March 2012	504,000	0.20	Conversion of ICULS	28,223,390
29 March 2012	3,200,000	0.20	Conversion of ICULS	28,863,390
3 April 2012	456,800	0.20	Conversion of ICULS	28,954,750
4 May 2012	1,267,900	0.20	Conversion of ICULS	29,208,330
8 May 2012	748,500	0.20	Conversion of ICULS	29,358,030
14 May 2012	1,248,600	0.20	Conversion of ICULS	29,607,750
4 June 2012	1,150,000	0.20	Conversion of ICULS	29,837,750
7 June 2012	800,000	0.20	Conversion of ICULS	29,997,750
8 June 2012	1,000,000	0.20	Conversion of ICULS	30,197,750
24 July 2012	50,000	0.20	Conversion of ICULS	30,207,750
8 August 2012	60,000	0.20	Conversion of ICULS	30,219,750
13 August 2012	52,400	0.20	Conversion of ICULS	30,230,230
24 August 2012	4,263,700	0.20	Conversion of ICULS	31,082,970
3 September 2012	1,488,000	0.20	Conversion of ICULS	31,380,570
3 September 2012	1,452,000	0.20	Conversion of ICULS	31,670,970
5 September 2012	100,000	0.20	Conversion of ICULS	31,690,970
5 September 2012	700,000	0.20	Exercise of Warrants 2011/2016	31,830,970
11 September 2012	1,813,000	0.20	Conversion of ICULS	32,193,570
13 September 2012	429,800	0.20	Exercise of Warrants 2011/2016	32,279,530
13 September 2012	4,202,000	0.20	Conversion of ICULS	33,119,930
18 September 2012	650,000	0.20	Conversion of ICULS	33,249,930
25 September 2012	4,562,600	0.20	Conversion of ICULS	34,162,450
1 October 2012	107,000	0.20	Conversion of ICULS	34,183,850
3 October 2012	117,600	0.20	Conversion of ICULS	34,207,370
10 October 2012	50,000	0.20	Conversion of ICULS	34,217,370

4. BOARD OF DIRECTORS

Please refer to Corporate Directory of this AP for details of the age, profession, nationality, designation and address of our Board members.

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5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDER'S SHAREHOLDINGS

The proforma effects of the Rights Issue of Shares with Warrants on the shareholdings of our Directors and substantial shareholder based on their shareholdings in our Company as at the LPD are as follow:

(i) Minimum Scenario

	As at the LPD				(I) After the Rights Issue of Shares with Warrants			
	Direct		Indirect		Direct		Indirect	
Name	No. of Astral Shares ('000)	%	No. of Astral Shares ('000)	%	No. of Astral Shares ('000)	%	No. of Astral Shares ('000)	%
Directors:								
Yap Chi Keong	10	Neg	-	-	10	Neg	-	-
Ong	17,715	10.35	-	-	35,430	15.67	-	-
Cherng	6,631	3.88	-	-	19,131	8.46	-	-
Lee Heng Khen	-	-	-	-	-	-	-	-
Wee Tiew Toon	-	-	-	-	-	-	-	-
Siew Boon Yeong	-	-	-	-	-	-	-	-
Substantial shareholders:								
Ong	17,715	10.35	-	-	35,430	15.67		
TA Securities	-	-	-	-	4,762	2.11	-	-
SJ Securities	-	-	-	-	10,000	4.42	-	-
JF Apex	-	-	-	-	10,000	4.42	-	-

(i) **Minimum Scenario *(cont'd)***

Name	(II) After (I) and the full exercise of Warrants 2011/2016[1] Direct No. of Astral Shares ('000)	%	Indirect No. of Astral Shares ('000)	%	(III) After (II) and the full exercise of New Warrants Direct No. of Astral Shares ('000)	%	Indirect No. of Astral Shares ('000)	%
Directors:								
Yap Chi Keong	10	Neg	-	-	10	Neg	-	-
Ong	35,430	13.38	-	-	46,059	15.47	-	-
Cherng	19,131	7.22	-	-	26,631	8.94	-	-
Lee Heng Khen	-	-	-	-	-	-	-	-
Wee Tiew Toon	-	-	-	-	-	-	-	-
Siew Boon Yeong	-	-	-	-	-	-	-	-
Substantial shareholders:								
Ong	35,430	13.38	-	-	46,059	15.47	-	-
TA Securities	4,762	1.80	-	-	7,619	2.56	-	-
SJ Securities	10,000	3.78	-	-	16,000	5.37	-	-
JF Apex	10,000	3.78	-	-	16,000	5.37	-	-

Name	(IV) After (III) and the full conversion of ICULS[2] Direct No. of Astral Shares ('000)	%	Indirect No. of Astral Shares ('000)	%
Directors:				
Yap Chi Keong	10	Neg	-	-
Ong	47,020	15.60	-	-
Cherng	26,665	8.85	-	-
Lee Heng Khen	-	-	-	-
Wee Tiew Toon	-	-	-	-
Siew Boon Yeong	-	-	-	-
Substantial shareholders:				
Ong	47,020	15.60	-	-
TA Securities	7,619	2.53	-	-
SJ Securities	16,000	5.31	-	-
JF Apex	16,000	5.31	-	-

(ii) **Maximum Scenario**

	As at the LPD				(I) After the full conversion of ICULS[3]			
	Direct		Indirect		Direct		Indirect	
Name	No. of Astral Shares ('000)	%	No. of Astral Shares ('000)	%	No. of Astral Shares ('000)	%	No. of Astral Shares ('000)	%
Directors:								
Yap Chi Keong	10	Neg	-	-	10	Neg	-	-
Ong	17,715	10.35	-	-	19,639	11.01	-	-
Cherng	6,631	3.88	-	-	6,699	3.76	-	-
Lee Heng Khen	-	-	-	-	-	-	-	-
Wee Tiew Toon	-	-	-	-	-	-	-	-
Siew Boon Yeong	-	-	-	-	-	-	-	-
Substantial shareholder:								
Ong	17,715	10.35	-	-	19,639	11.01	-	-

	(II) After (I) and the full exercise of Warrants 2011/2016				(III) After (II) and the Rights Issue of Shares with Warrants			
	Direct		Indirect		Direct		Indirect	
Name	No. of Astral Shares ('000)	%	No. of Astral Shares ('000)	%	No. of Astral Shares ('000)	%	No. of Astral Shares ('000)	%
Directors:								
Yap Chi Keong	10	Neg	-	-	20	Neg	-	-
Ong	19,639	9.05	-	-	39,278	9.05	-	-
Cherng	6,699	3.09	-	-	13,398	3.09	-	-
Lee Heng Khen	-	-	-	-	-	-	-	-
Wee Tiew Toon	-	-	-	-	-	-	-	-
Siew Boon Yeong	-	-	-	-	-	-	-	-
Substantial shareholder:								
Ong	19,639	9.05	-	-	39,278	9.05	-	-

(ii) Maximum Scenario *(cont'd)*

	(IV) After (III) and the full exercise of New Warrants			
	Direct		Indirect	
Name	**No. of Astral Shares ('000)**	**%**	**No. of Astral Shares ('000)**	**%**
Directors:				
Yap Chi Keong	26	Neg	-	-
Ong	51,061	9.05	-	-
Cherng	17,417	3.09	-	-
Lee Heng Khen	-	-	-	-
Wee Tiew Toon	-	-	-	-
Siew Boon Yeong	-	-	-	-
Substantial shareholder:				
Ong	51,061	9.05	-	-

Notes:

Neg *Negligible.*

(1) *As at the LPD, the number of unexercised Warrants 2011/2016 is 38,727,400 and the exercise price for Warrants 2011/2016 is RM0.20 each. Pursuant to the provisions under the deed poll dated 30 June 2011 constituting the Warrants 2011/2016 2016 and the 5D-VWAP of Astral Shares up to the date preceding the announcement of the entitlement date for the Rights Issue of Shares with Warrants, no adjustment will be required to be made on the exercise price and number of outstanding Warrants 2011/2016 in relation to the Rights Issue of Shares with Warrants.*

(2) *Pursuant to the trust deed dated 30 June 2011 constituting the ICULS, the conversion price for the ICULS shall be RM0.20 payable either (i) solely by tendering two (2) ICULS for one (1) new Astral Share or (ii) by the combination of tendering one (1) ICULS for one (1) new Astral Share and RM0.10 by cash. Under the Minimum Scenario and in determining the minimum number of Astral Shares to be in issued upon exercise/conversion of existing outstanding securities of Astral, it is assumed that the ICULS are converted into new Astral Shares by tendering two (2) ICULS for one (1) new Astral Share and the conversion price of the ICULS is RM0.20 (based on the issued and paid-up share capital of Astral as at the LPD and the 5D-VWAP of Astral Shares up to 11 October 2012, being the last trading date prior to the announcement of the Corporate Exercises).*

(3) *Pursuant to the trust deed dated 30 June 2011 constituting the ICULS, the conversion price for the ICULS shall be RM0.20 payable either (i) solely by tendering two (2) ICULS for one (1) new Astral Share or (ii) by the combination of tendering one (1) ICULS for one (1) new Astral Share and RM0.10 by cash. Under the Maximum Scenario and in determining the maximum number of Astral Shares to be in issued upon exercise/conversion of existing outstanding securities of Astral, it is assumed that the ICULS are converted into new Astral Shares by tendering one (1) ICULS for one (1) new Astral Share and the balance amount to be settled in cash.*

6. SUBSIDIARIES AND ASSOCIATED COMPANIES

The details of our subsidiaries and associated companies as at the LPD are as follows:

Name of company	Date and place of incorporation	Principal activities	Issued and paid-up share capital RM	Effective equity interest %
Subsidiaries:				
Singatronics	23 August 1979, Malaysia	Manufacture, assembly and export of electronic and electrical consumer and industrial products.	18,000,000	100
ASTRAL-GMO Sdn Bhd	24 April 2001, Malaysia	Dormant, previously was engaged in the business of trading of electronic and electrical consumer and industrial products.	100,000	100
Astral Supreme Construction Sdn Bhd	6 January 2012, Malaysia	Dormant, intended to be involved building and construction	2	100
Astral Supreme Development Sdn Bhd	6 January 2012, Malaysia	Dormant, intended to be involved in property development	2	100
Associated Companies:				
Sing Guan Silk Screen (Cambodia) Co. Ltd.	18 February 2002, Cambodia	Engaged in the business of silk screen printing	USD1,000,000	49*

Note:

* *11.4% equity interest in Silk Guan Silk Screen (Cambodia) Co. Ltd was held through Singatronics*

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7. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements for the past three (3) FYEs 31 December 2010 to 31 December 2012 are as follows:

	<----------------Audited	---------------->	
	FYE 31 December 2010 RM'000	**FYE 31 December 2011 RM'000**	**FYE 31 December 2012 RM'000**
Revenue	13,363	5,399	10,966
Gross profit ("GP") / (loss)	5,293	(1,479)	3,381
Other income	752	74	16
(LBITDA) / PBITDA	(916)	(17,517)	1,379
Finance costs	(504)	(377)	(153)
Share of results of associates	264	-	-
(LBT) / PBT	(1,937)	(18,334)	611
Taxation	28	(253)	(232)
(LAT)/ PAT	(2,465)	(18,587)	379
- Owners of the Company	(2,270)	(18,587)	379
- Minority interests	(195)	-	-
Shareholders' funds / NA	11,972	12,705	19,471
Total borrowings	5,589	1,270	1,948
Weighted average no. of Astral Shares	45,000	116,607	150,001
GP margin (%)	39.6	-	30.8
PBT margin (%)	-	-	5.6
Basic net (loss) / earnings per Share (sen)	(5.04)	(28.50)	0.25
Diluted net (loss) / earnings per Share (sen)	-	-	-
NA per Share (RM)	0.27	0.11	0.11
Current ratio (times)	1.17	2.84	3.85
Gearing ratio (times)	0.47	0.10	0.10

Commentary on financial performance

<u>FYE 31 December 2011 vs. FYE 31 December 2010</u>

For the FYE 31 December 2011, our Group recorded a revenue of RM5.40 million as opposed to RM13.36 million in the year of 2010, represents a drop of approximately 59.6%. The lower revenue was due to prolonged financial crisis in the Western Economies culminating gloomy and uncertainty world economic situation. Our Group recorded a gross loss of RM1.48 million. The gross loss was mainly due to insufficient revenue to cover the operating overheads.

Our Group recorded a LBT of RM18.33 million as compared to a LBT of RM1.94 million in 2010. The losses incurred for the year of 2011 were mainly due to lower revenue, an impairment loss on investment in associated company of RM8.0 million and allowance for impairment on amount due from associated company and other receivables of RM5.04 million.

Due to higher LBT in 2011, the NA per Share further deteriorated from RM0.27 in 2010 to RM0.11 in 2011. In 2011, our Company had completed a par value reduction exercise (wherein the credit arising from the par value reduction was utilised to reduce the accumulated losses of Astral), a rights issue of Astral Shares with Warrants 2011/2016 and a rights issue of ICULS. Proceeds from the rights issues of securities of our Company were utilised to, *inter alia*, repay bank borrowings of the Group. Consequently, the Group's current ratio improved from 1.17 times in 2010 to 2.84 times in 2011, and the gearing also improved from 0.47 times to 0.10 times in 2011.

(Source: Annual Report 2011 and our management)

FYE 31 December 2012 vs. FYE 31 December 2011

For the FYE 31 December 2012, our Group recorded a revenue of RM10.96 million as opposed to RM5.40 million in the year of 2011, represents an increase of approximately 103.1%. The increase revenue was due to new orders for E&E products sector. Correspondingly, our Group managed to turn-around our financial performance by capturing a GP of RM3.38 million and a PBT of RM0.61 million.

(Source: Our managment)

8. HISTORICAL PRICES OF ASTRAL SHARES

The monthly high and low closing market prices of Astral Shares for the past twelve (12) months from May 2012 to April 2013 are as follows:

	High RM	Low RM
2012		
May	0.350	0.175
June	0.190	0.150
July	0.255	0.175
August	0.445	0.235
September	0.410	0.260
October	0.275	0.225
November	0.285	0.225
December	0.285	0.180
2013		
January	0.210	0.180
February	0.200	0.175
March	0.195	0.180
April	0.260	0.185

Last transacted market price of our Shares on 11 October 2012 (being the last trading date prior to the announcement of the Corporate Exercises) was RM0.25 per Share.

Last transacted market price of our Shares on 27 May 2013 (being the last day on which our Shares were traded prior to the ex-date of the Rights Issue of Shares with Warrants) was RM0.21 per Share.

Last transacted market price of our Shares on 14 May 2013 (being the LPD prior to printing of this AP) was RM0.22 per Share.

(Source: Bloomberg)

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Morison AnuarulAzizanChew

Morison Anuarul Azizan Chew (AF 001977)
Chartered Accountants

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Off Jalan Kolam Air/Jalan Ipoh
51200 Kuala Lumpur
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Email aac@aacco.com.my
Websites www.aacco.com.my
www.knowledgeshop.com.my
www.morisoninternational.com

Date: 2 1 MAY 2013

The Board of Directors
ASTRAL SUPREME BERHAD
B-02-06, Plaza Damas 3
Jalan Hartamas 1
50480 Kuala Lumpur

Dear Sirs,

ASTRAL SUPREME BERHAD ("ASTRAL" or the "Company")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

We report on the Proforma Consolidated Statements of Financial Position of Astral and its subsidiaries (collectively referred to as the "Group") as at 31 December 2012 set out in the accompanying statements (which we have stamped for the purpose of identification) which have been prepared for illustrative purpose only, to provide information about how the consolidated statements of financial position of the Group as at 31 December 2012 that have been presented might have been affected by the following corporate exercises had they been completed on the date :

i. a renounceable rights issue of up to 217,039,750 new ordinary shares of RM0.20 each in Astral ("**Astral Share**") ("**Rights Share**") at an issue price of RM0.20 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Astral Share held on an entitlement date to be determined later, together with up to 130,223,850 free detachable new warrants ("**New Warrants**") on the basis of three (3) New Warrants for every five (5) Rights Shares subscribed by the entitled shareholders ("**Rights Issue of Shares with Warrants**"); and

ii. an increase in the authorised share capital of Astral from RM100,000,000 comprising 500,000,000 Astral Shares to RM500,000,000 comprising 2,500,000,000 Astral Shares ("**Increase in Authorised Share Capital**").

(Hereinafter, collectively referred to as the "**Corporate Exercises**")

Morison AAC

ASTRAL SUPREME BERHAD
Page 2

This letter is for inclusion in the Abridged Prospectus of Astral to be issued in relation to the Rights Issue of Shares with Warrants and for no other purpose.

RESPONSIBILITIES AND BASIS OF OPINION

It is solely the responsibility of the Directors of the Company to prepare the Proforma Consolidated Statements of Financial Position to reflect the effects of the Corporate Exercises. It is our responsibility to form an opinion on the Proforma Consolidated Statements of Financial Position and to report our opinion to you.

In providing this opinion, we are not responsible for updating or refreshing any reports of opinions previously issued by us on any financial information used in the preparation of the Proforma Consolidated Statements of Financial Position, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issues.

Our work consisted primarily of comparing the unadjusted financial information presented in their original form, considering the adjustments and discussing the Proforma Consolidated Statements of Financial Position with the Directors of the Company. Our work involved no independent examination of any of the underlying financial information. We are 100% dependent on the audited financial statements of Astral for the financial year ended 31 December 2012, for which Morison Anuarul Azizan Chew (Auditors of the Company) has reported to the members of Astral as of the date of the audit report.

As the Proforma Consolidated Statements of Financial Position is prepared for illustrative purposes only, such information, because of its nature, does not give a true picture of the effects of the Corporate Exercises on the financial position of the Group. Furthermore, such information does not purport to predict the Group's future financial position.

Our work has not been carried out in accordance with applicable Approved Standards on Auditing in Malaysia and accordingly should not be relied upon as if it has been carried out in accordance with those standards.

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Morison AAC

ASTRAL SUPREME BERHAD
Page 3

OPINION

In our opinion:

(a) The Proforma Consolidated Statements of Financial Position have been properly compiled on the bases set out in the notes thereon using financial statements prepared in accordance with applicable Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies of the Company;

(b) The adjustments made to the information set in the preparation of the Proforma Consolidated Statements of Financial Position are appropriate for the purposes of preparing the Proforma Consolidated Statements of Financial Position; and

(c) The adjustments as explained in the Notes and Assumptions to the Proforma Consolidated Statements of Financial Position as at 31 December 2012 are appropriate for the purposes of the Proforma Consolidated Statements of Financial Position.

Without qualifying our opinion, we draw attention to the notes and assumptions to the Proforma Consolidated Statements of Financial Position on the key assumptions made by the Directors in arriving at the fair value of RM0.15 per New Warrant as stated in scenarios. Any change to the key assumptions will have a significant effect to the warrants reserve, share premium and other reserve accounts.

OTHER MATTERS

The accompanying Proforma Consolidated Statements of Financial Position and this letter have been prepared for purposes of inclusion in the Abridged Prospectus in connection with the Rights Issue of Shares with Warrants. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully,

MORISON ANUARUL AZIZAN CHEW
(AF001977)
CHARTERED ACCOUNTANTS

SATHIEA SEELEAN A/L MANICKAM
1729/05/14 (J/PH)
PARTNER

Your Partners In Success

ASTRAL SUPREME BERHAD
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012
Minimum Scenario
(Page 1 of 2)

		Proforma (I)	Proforma (II)	Proforma (III)	Proforma (IV)
	Audited Statements of Financial Position of the Group as at 31.12.12	Rights Issue of Shares with Warrants	After (I) and assuming full exercise of Warrants 2011/2016	After (II) and assuming full exercise of New Warrants	After (III) and assuming full conversion of ICULS
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	7,432	7,432	7,432	7,432	7,432
Deferred tax assets	23	23	23	23	-
	7,455	7,455	7,455	7,455	7,432
Current assets					
Inventories	3,210	3,210	3,210	3,210	3,210
Trade and other receivables	6,605	6,605	6,605	6,605	6,605
Amount due from associated company	7,988	7,988	7,988	7,988	7,988
Fixed Deposit with licensed bank	50	50	50	50	50
Cash and bank balances	48	10,343	18,088	24,685	24,685
	17,901	28,196	35,941	42,538	42,538
Current liabilities					
Trade and other payables	3,446	3,446	3,446	3,446	3,446
Amount due to directors	398	398	398	398	398
Borrowings	809	809	809	809	809
	4,653	4,653	4,653	4,653	4,653
Net current assets	13,248	23,543	31,288	37,885	37,885
	20,703	30,998	38,743	45,340	45,317
Equity attributable to owners of the parent					
Share capital	34,217	45,212	(3)52,957	59,554	(5)60,277
Share premium	10,245	(1)4,617	(4)6,515	(4)11,463	11,463
Capital reserves	5,528	5,528	5,528	5,528	5,528
ICULS	1,108	1,108	1,108	1,108	-
Warrants reserves	1,898	(2)6,846	(4)4,948	(4)-	-
Accumulated loss	(33,524)	(1)(33,544)	(33,544)	(33,544)	(33,090)
	19,472	29,767	37,512	44,109	44,178
Non-current liabilities					
ICULS	92	92	92	92	-
Borrowings	1,139	1,139	1,139	1,139	1,139
Deferred tax liability	-	-	-	-	-
	1,231	1,231	1,231	1,231	1,139
	20,703	30,998	38,743	45,340	45,317

ASTRAL SUPREME BERHAD
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012
Minimum Scenario
(Page 2 of 2)

		Proforma (I)	Proforma (II)	Proforma (III)	Proforma (IV)
	Audited Statements of Financial Position of the Group as at 31.12.12	Rights Issue of Shares with Warrants	After (I) and assuming full exercise of Warrants 2011/2016	After (II) and assuming full exercise of New Warrants	After (III) and assuming full conversion of ICULS
	RM'000	RM'000	RM'000	RM'000	RM'000
Number of Astral Share(s) ('000)	171,087	226,064	264,791	297,777	301,390
Par Value per Astral Share (RM)	0.20	0.20	0.20	0.20	0.20
Net assets per Astral Share (RM)	0.11	0.13	0.14	0.15	0.15
Borrowings (RM'000)	1,948	1,948	1,948	1,948	1,948
Gearing (times)	0.10	0.07	0.05	0.04	0.04

Notes:

(1) *After deducting estimated expenses of RM700,000 for the Corporate Exercises.*

(2) *Based on the theoretical fair value of the New Warrants of approximately RM0.15 per New Warrant which was derived based on Binomial Option Pricing Model.*

(3) *As at the LPD, the number of unexercised Warrants 2011/2016 is 38,727,400 and the exercise price for Warrants 2011/2016 is RM0.20 each. Pursuant to the provisions under the deed poll dated 30 June 2011 constituting the Warrants 2011/2016 and the 5D-VWAP of Astral Shares up to the date preceding the announcement of the entitlement date for the Rights Issue of Shares with Warrants, no adjustment will be required to be made on the exercise price and number of outstanding Warrants 2011/2016 in relation to the Rights Issue of Shares with Warrants.*

(4) *The warrant reserves will be transferred to share premium account upon full exercise of the Warrants 2011/2016 and the New Warrants.*

(5) *Pursuant to the trust deed dated 30 June 2011 constituting the ICULS, the conversion price for the ICULS shall be RM0.20 payable either (i) solely by tendering two (2) ICULS for one (1) new Astral Share or (ii) by the combination of tendering one (1) ICULS for one (1) new Astral Share and RM0.10 by cash. Under the Minimum Scenario and in determining the minimum number of Astral Shares to be in issued upon exercise/conversion of existing outstanding convertible securities of Astral, it is assumed that the ICULS are converted into new Astral Shares by tendering two (2) ICULS for one (1) new Astral Share and the conversion price of the ICULS is RM0.20 (based on the issued and paid-up share capital of Astral as at the LPD and the 5D-VWAP of Astral Shares up to 11 October 2012, being the last trading date prior to the announcement of the Corporate Exercises).*

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ASTRAL SUPREME BERHAD
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012
Maximum Scenario
(Page 1 of 2)

STAMPED FOR IDENTIFICATION PURPOSES ONLY MORISON ANUARUL AZIZAN CHEW (AF 001977)

		Proforma (I)	Proforma (II)	Proforma (III)	Proforma (IV)
	Audited Statements of Financial Position of the Group as at 31.12.12	Assuming full conversion of ICULS	After (I) and assuming full exercise of Warrants 2011/2016	After (II) and Rights Issue of Shares with Warrants	After (III) and assuming full exercise of New Warrants
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	7,432	7,432	7,432	7,432	7,432
Deferred tax assets	23	-	-	-	-
	7,455	7,432	7,432	7,432	7,432
Current assets					
Inventories	3,210	3,210	3,210	3,210	3,210
Trade and other receivables	6,605	6,605	6,605	6,605	6,605
Amount due from associated company	7,988	7,988	7,988	7,988	7,988
Fixed Deposit with licensed bank	50	50	50	50	50
Cash and bank balances	48	771	8,516	49,276	75,321
	17,901	18,624	26,369	67,129	93,174
Current liabilities					
Trade and other payables	3,446	3,446	3,446	3,446	3,446
Amount due to directors	398	398	398	398	398
Borrowings	809	809	809	(4)-	-
	4,653	4,653	4,653	3,844	3,844
Net current assets	13,248	13,971	21,716	63,285	89,330
	20,703	21,403	29,148	70,717	96,762
Equity attributable to owners of the parent					
Share capital	34,217	(1)35,662	43,407	86,815	112,860
Share premium	10,245	10,245	(5)12,143	(2)(3)-	(5)11,463
Capital reserves	5,528	5,528	5,528	5,528	5,528
ICULS	1,108	(1)-	-	-	-
Other Reserve	-	-	-	(2)(8,071)	-
Warrants reserves	1,898	1,898	(5)-	(2)19,534	(5)-
Accumulated loss	(33,524)	(33,069)	(33,069)	(3)(33,089)	(33,089)
	19,472	20,264	28,009	70,717	96,762
Non-current liabilities					
ICULS	92	-	-	-	-
Borrowings	1,139	1,139	1,139	(4)-	-
Deferred tax liability	-	-	-	-	-
	1,231	1,139	1,139	-	-
	20,703	21,403	29,148	70,717	96,762

ASTRAL SUPREME BERHAD
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012
Maximum Scenario
(Page 2 of 2)

		Proforma (I)	Proforma (II)	Proforma (III)	Proforma (IV)
	Audited Statements of Financial Position of the Group as at 31.12.12	Assuming full conversion of ICULS	After (I) and assuming full exercise of Warrants 2011/2016	After (II) and Rights Issue of Shares with Warrants	After (III) and assuming full exercise of New Warrants
	RM'000	RM'000	RM'000	RM'000	RM'000
Number of Astral Share(s) ('000)	171,087	178,312	217,040	434,079	564,303
Par Value per Astral Share (RM)	0.20	0.20	0.20	0.20	0.20
Net assets per Astral Share (RM)	0.11	0.11	0.13	0.16	0.17
Borrowings (RM'000)	1,948	1,948	1,948	(4)-	-
Gearing (times)	0.10	0.10	0.07	-	-

Notes:

(1) *Pursuant to the trust deed dated 30 June 2011 constituting the ICULS, the conversion price for the ICULS shall be RM0.20 payable either (i) solely by tendering two (2) ICULS for one (1) new Astral Shares or (ii) by the combination of tendering one (1) ICULS for one (1) new Astral Share and RM0.10 by cash. Under the Maximum Scenario and in determining the maximum number of Astral Shares to be in issued upon exercise/conversion of existing convertible securities of Astral, it is assumed the ICULS are converted into new Astral Shares by tendering one (1) ICULS for one new Astral Share and the balance amount to be settled in cash. There shall be no adjustment to the conversion price of the ICULS under the Maximum Scenario as it is assumed that the ICULS are converted into new Astral Shares prior to the implementation of the Rights Issue of Shares with Warrants.*

(2) *Based on the theoretical fair value of the New Warrants of approximately RM0.15 per New Warrant which was derived based on Binomial Option Pricing Model.*

(3) *After deducting estimated expenses of RM700,000 for the Corporate Exercises.*

(4) *Part of the proceeds from the Rights Issue of Shares with Warrants will be utilised to repay the bank borrowings. Please refer to Section 5 for more detailed information.*

(5) *The warrant reserves will be transferred to share premium account upon full exercise of the Warrants 2011/2016 and the New Warrants.*

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ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

1. Basis of preparation

The Proforma Consolidated Statements of Financial Position, for which the Directors of Astral are solely responsible, set out above have been prepared for illustrative purpose only to show the effects of the following events as set out in paragraph 2 below, on the assumption that they were effected on 31 December 2012 and based on the bases and accounting principles consistent with those adopted by the Company and its subsidiaries (the "Group") in the preparation of their respective audited financial statements.

The Proforma Consolidated Statements of Financial Position of the Group have been prepared based on the audited financial statements of the Group as at 31 December 2012 which have been prepared in accordance with the applicable Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

2. Details of the Corporate Exercises

The Company is undertaking the following Corporate Exercises:

(a) Rights Issue of Shares with Warrants

The Company undertakes a renounceable rights issue of up to 217,039,750 new ordinary shares of RM0.20 each in Astral ("**Astral Share**") ("**Rights Share**") at an issue price of RM0.20 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Astral Share held on an entitlement date to be determined later, together with up to 130,223,850 free detachable new warrants ("**New Warrants**") on the basis of three (3) New Warrants for every five (5) Rights Shares subscribed by the entitled shareholders ("**Entitled Shareholders**") ("**Rights Issue of Shares with Warrants**");

(b) Increase in Authorised Share Capital

As at 31 December 2012, the authorised share capital of Astral is RM100,000,000 comprising 500,000,000 Astral Shares, of which RM34,217,370 comprising 171,086,850 Astral Shares have been issued and fully paid-up.

In order to accommodate the increase in the number of Astral Shares in issue arising from the issuance of the Rights Shares and any future issuance of new Astral Shares arising from the exercise of the New Warrants, Astral proposes to increase its authorised share capital to RM500,000,000 comprising 2,500,000,000 Astral Shares. Astral completed the Increase in Authorised Share Capital on 13 March 2013.

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ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

3. Scenarios

The Proforma Consolidated Statements of Financial Position have been presented based on the following two scenarios:

a) Minimum Scenario :- The scenario that assumes none of the existing unexercised Warrants 2011/2016 and the outstanding 10-year 3% Irredeemable Convertible Unsecured Loan Stocks ("**ICULS**") is exercised/converted into new Astral Shares prior to the implementation of the Rights Issue of Shares with Warrants and only the Undertaking Shareholders (as defined below) and the underwriter(s) subscribe for their respective entitlements/undertakings pursuant to the Rights Issue of Shares with Warrants under the Minimum Subscription Level (as defined below).

b) Maximum Scenario :- The scenario that assumes all the existing unexercised Warrants 2011/2016 and the outstanding ICULS are exercised into new Astral Shares prior to the implementation of the Rights Issue of Shares with Warrants and all Entitled Shareholders subscribe for their respective entitlements pursuant to the Rights Issue of Shares with Warrants.

4. The Proforma Consolidated Statements of Financial Position

4.1 Minimum Scenario

Representing the scenario where the Rights Issue of Shares with Warrants be implemented on a minimum level of subscription of 54,977,000 Rights Shares together with 32,986,200 New Warrants based on the undertaking letters procured from Ong Tai Chin @ Wong Tai Chin (the substantial shareholder and Managing Director of Astral) and Cherng Chin Guan (a shareholder and Executive Director of Astral) (collectively referred to as "**Undertaking Shareholders**") and an underwriting arrangement ("**Minimum Subscription Level**").

None of the existing outstanding ICULS and unexercised Warrants 2011/2016 is converted/ exercised into new Astral Shares prior to the implementation of the Rights Issue of Shares with Warrants.

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ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

STAMPED FOR IDENTIFICATION PURPOSES ONLY
MORISON ANUARUL AZIZAN CHEW (AF 001977)

4. The Proforma Consolidated Statements of Financial Position –Cont'd

4.1 Minimum Scenario –Cont'd

4.1.1 Proforma I –Rights Issue of Shares with Warrants

Proforma I incorporates the effects of the Rights Issue of Shares with Warrants. The issue price for the Rights Share is fixed at RM0.20 for each Rights Share. Upon issuance of the Rights Shares, RM0.20 will be credited to share capital of the Company.

The total allocated fair value of the New Warrants amounting to RM4,947,930 will be transferred to warrant reserves upon the issue of the New Warrants. Correspondingly, the same amount will be set-off against the share premium account of the Company.

The proceeds from the Rights Issue of Shares with Warrants (excluding any proceeds from any exercise with the New Warrants) are expected to be utilised over a period of **two (2) years.** For the full details of the utilisation of proceeds, please refer to Section 5 below.

Proforma I also incorporates the fair value of the New Warrants which will be transferred to warrant reserves upon issue of the Rights Shares together with the New Warrants pursuant to the Right Issue of Shares with Warrants. The Board has allocated a fair value of RM0.15 per New Warrant estimated using Binomial Option Pricing Model and the key assumptions are as follow :-

Exercise price	RM0.20
Underlying price	RM0.1974
Days to expiration	1825 (5years)
Risk free interest rate	3.48% per annum
Expected volatility	103%
Expected dividend yield	-

The underlying price represents five (5) day volume weighted average market price of Astral Shares up to the LPD.

The total estimated expenses in relation to the Corporate Exercises of approximately RM700,000 are expected to be incurred and payable in Proforma I. The estimated expenses in relation to the Rights Issue of Shares with Warrants of approximately RM680,000 will be debited to the share premium account of the Company where the remaining estimated expenses in relation to the Increase in Authorised Share Capital of approximately RM20,000 will be debited to the accumulated loss accounts of the Company.

ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

4. The Proforma Consolidated Statements of Financial Position –Cont'd

4.1 Minimum Scenario –Cont'd

4.1.2 Proforma II– Assuming full exercise of Warrants 2011/2016

Based on the assumption of full exercise of Warrants 2011/2016, Proforma II incorporates the effects of Proforma I and assuming full exercise of Warrants 2011/2016 at an exercise price of RM0.20 per Warrant 2011/2016. The number of unexercised Warrants 2011/2016 is 38,727,400 and the exercise price for Warrants 2011/2016 is RM0.20 pursuant to the deed poll dated 30 June 2011 constituting the Warrants 2011/2016.

The warrant reserves will be transferred to share premium upon the full exercise of the Warrants 2011/2016. The actual quantum of proceeds to be received by the Company pursuant to the exercise of the Warrants 2011/2016 would depend upon the actual number of Warrants 2011/2016 exercised. Such proceeds will be utilised for working capital purposes of the Group.

4.1.3 Proforma III– Assuming full exercise of New Warrants

Based on the assumption of full exercise of New Warrants, Proforma III incorporates the effects of Proforma I, Proforma II and assuming full exercise of New Warrants at an exercise price of RM0.20 per New Warrant. Upon exercise of each New Warrant, RM0.20 will be credited to share capital of the Company.

The warrant reserves will be transferred to share premium upon the full exercise of the New Warrants. The actual quantum of proceeds to be received by the Company pursuant to the exercise of the New Warrants would depend upon the actual number of New Warrants exercised. Such proceeds will be utilised for working capital purposes of the Group.

4.14 Proforma IV– Assuming full conversion of ICULS

Based on the assumption of full conversion of ICULS, Proforma IV incorporates the effects of Proforma I, Proforma II, Proforma III and assuming full conversion of ICULS at a conversion price of RM0.20.

Proforma IV assumes the ICULS are converted into new Astral Shares by tendering two (2) ICULS for one (1) new Astral Share. Upon conversion of ICULS into new Astral Share, reasonable adjustment on the deferred tax assets, the equity and liability component of ICULS will be made accordingly.

ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

4. The Proforma Consolidated Statements of Financial Position –Cont'd

4.2 Maximum Scenario

Representing the scenario where the Rights Issue of Shares with Warrants entails an issue of up to 217,039,750 Rights Shares together with up to 130,223,850 New Warrants. All the existing unexercised Warrants 2011/2016 and the outstanding ICULS are exercised/converted into new Astral Shares prior to the implementation of the Rights Issue of Shares with Warrants.

4.2.1 Proforma I– Assuming full conversion of ICULS

Based on the assumption of full conversion of ICULS, Proforma I incorporates the effects of assuming full conversion of ICULS at a conversion price of RM0.20.

Proforma I assumes the ICULS are converted into new Astral Shares by tendering one (1) ICULS for one (1) new Astral Share and the balance amount to be settled in cash. Upon conversion of ICULS into new Astral Share, reasonable adjustment on the deferred tax assets, the equity and liability component of ICULS will be made accordingly.

4.2.2 Proforma II– Assuming full exercise of Warrants 2011/2016

Based on the assumption of full exercise of Warrants 2011/2016, Proforma II incorporates the effects of Proforma I and assuming full exercise of Warrants 2011/2016 at an exercise price of RM0.20 per Warrant 2011/2016.

The warrant reserves will be transferred to share premium upon the full exercise of the Warrants 2011/2016. The actual quantum of proceeds to be received by the Company pursuant to the exercise of the Warrants 2011/2016 would depend upon the actual number of Warrants 2011/2016 exercised. Such proceeds will be utilised for working capital purposes of the Group.

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ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

MORISON ANUARUL AZIZAN CHEW (AF 001977) STAMPED FOR IDENTIFICATION PURPOSES ONLY

4. The Proforma Consolidated Statements of Financial Position –Cont'd

4.2 Maximum Scenario – Cont'd

4.2.3 Proforma III–Rights Issue of Shares with Warrants

Proforma III incorporates the effects of Proforma I, Proforma II and Rights Issue of Shares with Warrants. The issue price of the Rights Shares is fixed at RM0.20 for each Right Share. Upon issuance of the Rights Shares, RM0.20 will be credited to share capital of the Company.

The total allocated fair value of the New Warrants amounting to RM19,533,577.50 will be transferred to warrant reserves upon the issue of the New Warrants. Correspondingly, the same amount will be set-off against the share premium account of the Company.

The proceeds from the Rights Issue of Shares with Warrants (excluding any proceeds from any exercise of the New Warrants) are expected to be utilised over a period of **two (2) years**. For the full details of the utilisation of proceeds, please refer to Section 5 below.

Proforma III also incorporates the fair value of the New Warrants which will be transferred to warrant reserves upon issue of the Rights Shares together with the New Warrants pursuant to the Right Issue of Shares with Warrants. The Board has allocated a fair value of RM0.15 per New Warrant estimated using Binomial Option Pricing Model and the key assumptions are as follow :-

Exercise price	RM0.20
Underlying price	RM0.1974
Days to expiration	1825 (5years)
Risk free interest rate	3.48% per annum
Expected volatility	103%
Expected dividend yield	-

The underlying price represents five (5) day volume weighted average market price of Astral Shares up to the LPD.

The total estimated expenses in relation to the Corporate Exercises of approximately RM700,000 are expected to be incurred and payable in Proforma III. The estimated expenses in relation to the Rights Issue of Shares with Warrants of approximately RM680,000 will be debited to the share premium account of the Company where the remaining estimated expenses in relation to the Increase in Authorised Share Capital of approximately RM20,000 will be debited to the accumulated loss accounts of the Company.

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ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

5. The Proforma Consolidated Statements of Financial Position –Cont'd

4.2 Maximum Scenario – Cont'd

4.2.4 Proforma IV– Assuming full exercise of New Warrants

Based on the assumption of full exercise of New Warrants, Proforma IV incorporates the effects of Proforma I, Proforma II, Proforma III and assuming full exercise of New Warrants at an exercise price of RM0.20 per New Warrant. Upon exercise of each New Warrant, RM0.20 will be credited to share capital of the Company.

The warrant reserves will be transferred to share premium upon the full exercise of the New Warrants. The actual quantum of proceeds to be received by the Company pursuant to the exercise of the New Warrants would depend upon the actual number of New Warrants exercised. Such proceeds will be utilised for working capital purposes of the Group.

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ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

5. Utilisation of Proceeds

Based on the issue price of RM0.20 per Rights Share, the gross proceeds will be utilised in the following manner:-

	Note	Minimum Scenario RM'000	Maximum Scenario RM'000	Expected time frame for utilisation of proceeds (from the date of listing of the Rights Shares)
Working capital	(1)	10,295	31,508	Within 24 months
Repayment of bank borrowing	(2)	-	2,050	Within 6 months
Renovation of factory and purchase of new equipment	(3)	-	4,150	Within 12 months
Research and development ("R&D")	(4)	-	5,000	Within 24 months
Defray estimated expenses in relation to the Corporate Exercises	(5)	700	700	Within 1 month
Total estimated proceeds		10,995	43,408	

Notes:

(1) Details of the working capital is as follows:

	Note	*Minimum Scenario RM'000*	*Maximum Scenario RM'000*
Payment of trade and other creditors		*1,500*	*1,500*
Purchase of raw materials	*(a)*	*7,145*	*26,858*
Management, employees and marketing expenses	*(b)*	*1,650*	*3,150*
Total		***10,295***	***31,508***

(a) Purchase of raw materials

*Singatronics (M) Sdn Bhd ("**Singatronics**"), a wholly-owned subsidiary of Astral, is a strategic Electronics Manufacturing Services ("**EMS**") partner for Sphairon Technologies GmBH ("**Sphairon**"), a German company which produces telecommunications and networking electronics products such as network terminals for Integrated Services Digital Network, Asymmetric Digital Subscriber Line, Very high bit rate Digital Subscriber Line networks as well as Voice over Internet Protocol (Source: website of Sphairon). On 28 July 2011, Singatronics and Sphairon entered into a Master Sale Agreement in relation to their collaboration as regards to orders from Sphairon and supply by Singatronics of electronic products required by Sphairon. This agreement shall continue for three (3) years and thereafter, shall automatically be renewed for successive one (1) year unless terminated upon request by either parties to the agreement. Since then, Sphairon has been a customer of Singatronics.*

ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

MORISON ANUARUL AZIZAN CHEW (AF 001977) STAMPED FOR IDENTIFICATION PURPOSES ONLY

5. Utilisation of Proceeds – Cont'd

*Further, on 28 April 2012, Singatronics has entered into a Memorandum of Understanding with Sphairon ("**MOU**"), whereby Sphairon will engage Singatronics as one of its strategic partners for the manufacturing of modems and information technology / telecommunication related products. As at the LPD, Singatronics has received purchase orders worth approximately RM52.8 million from Sphairon for the production of 70,000 units of EasyBox and 240,000 units of VF EasyBox 803 S for Vodafone, respectively (refer to Astral's announcements dated 6 January 2012 and 26 September 2012, respectively). As at the LPD, Singatronics has delivered approximately RM4.179 million worth of EasyBox to Sphairon. The production for VF EasyBox 803 S for Vodafone is expected to commence by the second (2nd) half of year 2013.*

In this regard, the working capital will be used mainly to purchase raw materials to meet the purchase orders from Sphairon. Considering that Singatronics is an EMS partner of Sphairon, this places Singatronics in a favourable position to respond to further orders from Sphairon for its current and future information technology / telecommunication products. Therefore, any additional proceeds (under the Maximum Scenario) to be raised will allow the Group to have sufficient funds to purchase resources to meet these future orders and the requirements of Sphairon. The raw materials generally used for these productions are accessories, casings, printed circuit board assembly, and mechanical and packaging, mainly sourced from approved suppliers of Sphairon.

In addition to Sphairon, Singatronics provides value-added contract manufacturing services to three (3) other sectors, namely industrial, healthcare and consumer products. Any additional proceeds (under the Maximum Scenario) to be raised will allow the Group to purchase resources for these sectors.

(b) Management, employees and marketing expenses

Being the working capital for the business operations of the Group, which is mainly to finance the on-going operating and office expenses such as staff salaries and employee benefits, utilities, other miscellaneous expenses and marketing expenses. At present, the Company has not determined the exact breakdown of the proceeds in respect of the said working capital requirement.

(2) As at the LPD, the borrowings of the Group comprise hire purchase facilities only and the total hire purchase facility of the Group was approximately RM1.60 million. For illustrative purpose and without taking into consideration the tax implication (if any), the Group is expected to have an interest saving of approximately RM0.20 million per annum based on an average interest rate of 7.8% per annum.

Any surplus of funds following the repayment of bank borrowings will be utilised as working capital of the Group.

(3) The Company intends to utilise the proceeds to renovate the factory located at Lot 20, Kulim Industrial Estate, 09000 Kulim, Kedah and to purchase new equipment, details of which are as follows:

ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

5. Utilisation of Proceeds – Cont'd

		RM'000
Renovation of factory:		
*Electronic static discharge ("**ESD**") flooring for the assembly area*	*(a)*	*1,300*
*Control room facilities for Surface Mount Technology ("**SMT**")*	*(b)*	*500*
General renovations	*(c)*	*705*
Purchase of new equipment:		
Incoming quality control lab with coordinate measuring machine	*(d)*	*480*
Other new equipment	*(e)*	*1,165*
Total		***4,150***

Renovation of factory

(a) *ESD is the sudden, spontaneous transfer of electric current which can damage the electronic components and equipments on site and affect the product quality of the Group. In this regard, the Company intends to extend the ESD flooring for the assembly area of the factory to minimise the impact of ESD on the products.*

(b) *SMT is an electronic assembly method for constructing electronic circuits in which the components are mounted directly onto the surfaces of electronic circuit boards. It replaces the through-hole technology construction method of fitting components with wire leads into holes on the circuit boards. In comparison, SMT provides advantages in terms of manufacturability and performance, whereby it allows higher component density (components per unit area) and more connections per component and provides a simpler and faster automated assembly. The SMT components include active and passive components.*

Currently, the Group uses SMT in constructing the electrical circuit boards. As part of the Group's continuous effort to ensure good manufacturing practice, the Company intends to utilise the proceeds to upgrade the design and facilities of the control room for SMT. This shall build customers' confidence in the Group's manufacturing practice and increases its competitiveness in the electronic and electrical market.

(c) *These general renovations involve renovation to, amongst others, the exterior of the factory, lobby and front office and the related wiring works.*

Purchase of new equipment

(d) *A coordinate measuring machine ("CMM") is used to measure the mechanical parameters of a product. As part of the Group's emphasis on quality, the Company intends to acquire one (1) unit of CMM to ensure that the products manufactured meet the customers' design intent, which in turn allows the Group to reduce wastage in its production processes.*

(e) *The other new equipment are required to replace the existing old equipment such as chiller / cooling tower system, stabilizer and trunking for SMT area, air-conditioners, particle counter and forklift as well as for the upgrade of computer systems and softwares and the security systems of the factory.*

Any surplus/shortfall for the renovation of factory and purchase of new equipment will be adjusted accordingly to/from the working capital of the Group.

ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

STAMPED FOR IDENTIFICATION PURPOSES ONLY
MORISON ANUARUL AZIZAN CHEW
(AF 001977)

5. Utilisation of Proceeds – Cont'd

(4) *As part of the MOU, Singatronics and Sphairon will co-operate with each other in promoting R&D activities in Malaysia. This R&D co-operation shall involve the transfer of telecommunication technologies from Sphairon to Singatronics.*

The Company intends to utilise RM5.0 million of the proceeds from the Rights Issue of Shares with Warrants for, amongst others, the set-up of a R&D lab, R&D staff costs and purchase of relevant machinery and equipment for the R&D co-operation.

As both Singatronics and Sphairon have not finalised the focus area for the R&D co-operation, the Board cannot determine the breakdown for the R&D expenses at this juncture. Notwithstanding this, the Board believes such R&D co-operation will allow Singatronics to establish a good business relationship with Sphairon, strengthen the Group's R&D capabilities and thus increases the Group's competitiveness.

In the event Singatronics and Sphairon decide not to proceed with the R&D co-operation, any unutilised proceeds will be utilised for the working capital requirements of the Group

(5) *The expenses relating to the Corporate Exercises comprise, amongst others, the estimated professional fees, fees payable to the relevant authorities, expenses to convene the extraordinary general meeting), printing, despatch and advertisement expenses and other ancillary expenses. If the actual expenses incurred are higher than the budgeted, the deficit will be funded from the portion allocated for the Group's working capital. Conversely, any surplus of funds following payment of expenses will be utilised as working capital for the Group.*

The exact quantum of proceeds to be raised from the exercise of the New Warrants is dependent on the total number of New Warrants to be exercised during the tenure of the New Warrants. The proceeds to be raised from the exercise of the New Warrants shall be utilised for the working capital requirements of the Group, the breakdown of which and the expected time frame for full utilisation cannot be determined by the Board at this juncture.

Pending utilisation of the proceeds from the Rights Issue of Shares with Warrants for the abovementioned purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments as the Board may deem fit. The interest derived from the deposits with the financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of the Group.

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ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

6. Share capital

The movements in the issued and fully paid up share capital of the Company after the Corporate Exercises are as follows:

Minimum Scenario	Par Value (RM)	No. of Astral Shares	RM
<u>**Authorised Share Capital**</u>			
As at 01 January 2013	0.20	500,000,000	100,000,000
To be issue pursuant to the Increase in Authorised Share Capital	0.20	2,000,000,000	400,000,000
After the Increase in Authorised Share Capital		**2,500,000,000**	**500,000,000**
<u>**Issued and paid-up Share Capital**</u>			
Issued and paid-up share capital as at the LPD		171,086,850	34,217,370
Proforma I : To be issued pursuant to Rights Issue of Shares with Warrants	0.20	54,977,000	10,995,400
After the Rights Issue of Shares with Warrants		226,063,850	45,212,770
Proform II : Assuming full exercise of Warrants 2011/2016	0.20	38,727,400	7,745,480
		264,791,250	52,958,250
Proforma III : Assuming full exercise of New Warrants	0.20	32,986,200	6,597,240
		297,777,450	59,555,490
Proforma IV : Assuming full conversion of ICULS	0.20	3,612,750	722,550
Enlarged issued and paid-up share capital		**301,390,200**	**60,278,040**

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ASTRAL SUPREME BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

6. Share Capital –Cont'd

Maximum Scenario	Par Value (RM)	No. of Astral Shares	RM
<u>Authorised Share Capital</u>			
As at 01 January 2013	0.20	500,000,000	100,000,000
To be issue pursuant to the Increase in Authorised Share Capital	0.20	2,000,000,000	400,000,000
After the Increase in Authorised Share Capital		**2,500,000,000**	**500,000,000**
<u>Issued and paid-up Share Capital</u>			
Issued and paid-up share capital as at the LPD		171,086,850	34,217,370
Proforma I : Assuming full conversion of ICULS	0.20	7,225,500	1,445,100
		178,312,350	35,662,470
Proforma II : Assuming full exercise of Warrants 2011/2016	0.20	38,727,400	7,745,480
		217,039,750	43,407,950
Proforma III : To be issued pursuant to Rights Issue of Shares with Warrants	0.20	217,039,750	43,407,950
After the Rights Issue of Shares with Warrants		434,079,500	86,815,900
Proforma IV : Assuming full exercise of New Warrants	0.20	130,223,850	26,044,770
Enlarged issued and paid-up share capital		**564,303,350**	**112,860,670**

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Morison AAC

CERTIFIED TRUE COPY

SATHIEA SEELEAN MANICKAM
CA(M), B. ACC(Hons), AICA ATII

ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
31 DECEMBER 2012

Registered office:
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Principal place of business:
Lot 20
Kulim Industrial Estate
09000 Kulim, Kedah

Your Partners In Success

ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

31 DECEMBER 2012

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ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

Principal Activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies and associated company are stated in Note 4 and 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group RM	Company RM
Profit/(Loss) for the year attributable to:-		
Owners of the parent	379,187	(66,381)

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend to be paid for the financial year under review.

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Issue of Shares and Debentures

During the financial year, the issued and paid-up share capital of the Company was increased from RM23,321,440 to RM34,217,370 by:-

(a) conversion of a total of 52,830,200 ICULS into 52,830,200 new ordinary shares of RM0.20 each of the Company by surrendering for cancellation RM0.10 nominal value of ICULS and paying RM0.10 cash for every one (1) new ordinary share of RM0.20 each in the Company;

(b) conversion of a total of 1,444,300 ICULS into 519,650 new ordinary shares of RM0.20 each of the Company by surrendering for cancellation the ICULS with aggregate nominal value equivalent to the conversion price as at date of conversion for every one (1) new ordinary share of RM0.20 each in the Company; and

(c) subscription of a total of 1,129,800 warrants into 1,129,800 new ordinary shares of RM0.20 each of the Company at an exercise price of RM0.20 each for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issues of debentures during the financial year under review.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year under review.

Directors

The Directors who served since the date of the last report are as follows:

Ong Tai Chin @ Wong Tai Chin	
Cherng Chin Guan	
Wee Tiew Toon	
Yap Chi Keong	
Lee Heng Khen	
Siew Boon Yeong	(appointed on 21.12.2012)
Abdul Gaffor bin Sahul Hamid	(retired on 29.6.2012)

Directors' Interests

Details of holdings and deemed interests in the shares and options over shares of the Company or its related corporations by the Directors in office at the end of the financial year, according to the register required to be kept under Section 134 of the Companies Act, 1965, were as follows:

	No. of ordinary shares of RM0.20 each			
	At 1.1.2012	**Acquired**	**Disposed**	**At 31.12.2012**
Direct interest:				
Ong Tai Chin @ Wong Tai Chin	10,715,000	20,000,000	(13,000,000)	17,715,000
Cherng Chin Guan	1,541,000	8,116,100	(3,026,100)	6,631,000
Yap Chi Keong	10,100	-	-	10,100
Indirect interest:				
Ong Tai Chin @ Wong Tai Chin:-				
Wong Seok Ling	400,000	-	(400,000)	-
Foo Yeong Wei	383,000	-	(383,000)	-
Wong Seok Hui	16,000	-	(16,000)	-

	No. of ICULS of RM0.10 each			
	At 1.1.2012	**Acquired**	**Converted**	**At 31.12.2012**
Direct interest:				
Ong Tai Chin @ Wong Tai Chin	41,359,500	-	(39,338,500)	2,021,000
Yap Chi Keong	400	-	-	400

None of the other Directors holding office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year under review.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other Statutory Information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

   (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

   (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

   (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

(c) No contingent or other liabilities of the Group and of the Company have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations as and when they fall due.

(d) At the date of this report, there does not exist:

   (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(e) In the opinion of the Directors:-

   (i) the results of the operations of the Group and of the Company for the financial year ended 31 December 2012 have not been substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Corporate Proposals

The corporate proposals during the financial year are disclosed in Note 38 to the financial statements.

Auditors

The auditors, Morison Anuarul Azizan Chew, have expressed their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors.

ONG TAI CHIN @ WONG TAI CHIN	CHERNG CHIN GUAN

KUALA LUMPUR

23 APR 2013

ASTRAL SUPREME BERHAD

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, ONG TAI CHIN @ WONG TAI CHIN and CHERNG CHIN GUAN, being two of the Directors of ASTRAL SUPREME BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 10 to 64 are drawn up in accordance with Malaysian Financial Reporting Standards and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012 and of the results of their operations and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors.

ONG TAI CHIN @ WONG TAI CHIN	CHERNG CHIN GUAN

KUALA LUMPUR

23 APR 2013

ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 169(16) of the Companies Act, 1965

I, CHERNG CHIN GUAN, being the Director primarily responsible for the financial management of ASTRAL SUPREME BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 10 to 64 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed CHERNG CHIN GUAN at KUALA LUMPUR in the Federal Territory this 23 APR 2013

CHERNG CHIN GUAN

Before me,

PESURUHJAYA SUMPAH
W 589
SAMSIAH BT. ALI
MALAYSIA

COMMISSIONER FOR OATHS

SAMSIAH BINTI ALI (No. W 589)
PESURUHJAYA SUMPAH
NO. 142B, TKT.BAWAH,
BGN. UMNO SELANGOR
JALAN IPOH 51200
KUALA LUMPUR W.P.

Morison AAC

MORISON ANUARUL AZIZAN CHEW

CHARTERED ACCOUNTANTS

18 Jalan 1/64, Off Jalan Kolam Air/Jalan Ipoh, 51200 Kuala Lumpur.
Tel : 603-40482888 Fax : 603-40482999

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASTRAL SUPREME BERHAD

(Company No. : 442371-A)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the accompanying financial statements of Astral Supreme Berhad, which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 64.

Directors' Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia. The Directors are responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report on the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

(c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

The supplementary information set out in Note 39 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the Directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the Directive of Bursa Malaysia Securities Berhad.

As stated in Note 2(a) to the financial statements, Astral Supreme Berhad has adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

This report is solely made to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume any responsibility to any other person for the content of this report.

MORISON ANUARUL AZIZAN CHEW
Firm Number: AF 001977
Chartered Accountants

SATHIEA SEELEAN A/L MANICKAM
Approved Number: 1729/05/14 (J/PH)
Partner of Firm

KUALA LUMPUR
23 APR 2013

ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2012

		Group			Company		
	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Non-Current Assets							
Property, plant and equipment	3	7,431,780	4,214,377	2,479,163	80,256	4,119	5,415
Investment in subsidiary companies	4	-	-	-	4,094,575	4,094,571	32,100,000
Investment in associated company	5	-	-	8,000,000	-	-	5,001,155
Deferred tax asset	6	23,085	254,636	-	23,085	254,636	-
		7,454,865	4,469,013	10,479,163	4,197,916	4,353,326	37,106,570
Current Assets							
Inventories	7	3,210,319	2,943,345	2,258,712	-	-	-
Trade receivables	8	5,293,987	2,811,678	3,424,265	-	-	-
Other receivables	9	1,311,004	1,076,196	3,617,233	397,167	976,998	1,691,998
Amount owing by subsidiary companies	10	-	-	-	7,615,326	1,348,284	-
Amount owing by associated company	11	7,987,994	8,568,714	10,495,713	7,556,675	7,987,395	6,755,630
Fixed deposit with a licensed bank	12	50,000	-	-	-	-	-
Cash and bank balances		48,434	40,993	18,341	14,710	14,763	9,167
		17,901,738	15,440,926	19,814,264	15,583,878	10,327,440	8,456,795

ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2012 (CONT'D)

		Group			Company		
	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Current Liabilities							
Trade payables	13	1,563,698	1,258,420	1,367,655	-	-	-
Other payables	14	1,882,609	3,519,587	2,402,739	594,149	843,610	763,056
Amount owing to subsidiary companies	10	-	-	-	60,340	364,994	8,610,715
Amount owing to a related party	15	-	-	7,240	-	-	1,657
Amount owing to directors	16	397,921	137,909	8,955,000	397,921	137,909	8,900,000
Hire purchase payables	17	568,016	528,653	728,121	-	-	-
Term loan	18	240,584	-	3,532,540	-	-	-
Provision for taxation		-	-	34	-	-	34
		4,652,828	5,444,569	16,993,329	1,052,410	1,346,513	18,275,462
Net current assets		13,248,910	9,996,357	2,820,935	14,531,468	8,980,927	(9,818,667)
		20,703,775	14,465,370	13,300,098	18,729,384	13,334,253	27,287,903

ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2012 (CONT'D)

		Group			Company		
	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Financed By:							
Share capital	19	34,217,370	23,321,440	45,000,000	34,217,370	23,321,440	45,000,000
Share premium	20	10,245,398	10,190,038	12,760,293	10,245,398	10,190,038	12,760,293
Capital reserves	21	5,527,459	5,527,459	-	5,527,459	5,527,459	-
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	22	1,108,276	5,616,490	-	1,108,276	5,616,490	-
Warrants reserve	23	1,897,643	1,953,003	-	1,897,643	1,953,003	-
Accumulated losses		(33,524,156)	(33,903,343)	(45,788,695)	(34,359,253)	(34,292,872)	(30,472,541)
Equity attributable to owners of the parent		19,471,990	12,705,087	11,971,598	18,636,893	12,315,558	27,287,752
Non-Current Liabilities							
Deferred tax liability	6	151	151	151	151	151	151
ICULS	22	92,340	1,018,544	-	92,340	1,018,544	-
Hire purchase payables	17	225,253	741,588	1,328,349	-	-	-
Term loan	18	914,041	-	-	-	-	-
		1,231,785	1,760,283	1,328,500	92,491	1,018,695	151
		20,703,775	14,465,370	13,300,098	18,729,384	13,334,253	27,287,903

The accompanying notes form an integral part of the financial statements.

ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Revenue	24	10,965,794	5,398,791	480,000	480,000
Cost of sales		(7,584,936)	(6,877,898)	-	-
Gross profit/(loss)		3,380,858	(1,479,107)	480,000	480,000
Other operating income		16,025	74,240	-	7,072
Selling and marketing expenses		(523,459)	(287,064)	-	-
Administration expenses		(2,109,888)	(8,264,311)	(341,404)	(29,476,613)
Profit/(Loss) from operations	25	763,536	(9,956,242)	138,596	(28,989,541)
Finance costs	26	(152,798)	(377,479)	26,574	(48,708)
Impairment loss on investment in associated company		-	(8,000,000)	-	(5,001,155)
Profit/(Loss) before taxation		610,738	(18,333,721)	165,170	(34,039,404)
Taxation	27	(231,551)	(253,468)	(231,551)	(253,468)
Total comprehensive income/(loss) for the financial year, net of tax		379,187	(18,587,189)	(66,381)	(34,292,872)
Earnings/(Loss) per share from continuing operations attributable to owners of the parent:					
Basic (sen)	28(a)	0.25	(28.50)		
Diluted (sen)	28(b)	N/A	N/A		

The accompanying notes form an integral part of the financial statements.

ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Attributable to Owners of the Parent						
	Non-distributable					Distributable	
Group	**Share Capital** (Note 19) RM	**Share Premium** (Note 20) RM	**Capital Reserve** (Note 21) RM	**ICULS** (Note 22) RM	**Warrant Reserve** (Note 23) RM	**Accumulated Losses** RM	**Total Equity** RM
2012							
At 1 January 2012	23,321,440	10,190,038	5,527,459	5,616,490	1,953,003	(33,903,343)	12,705,087
Issuance of ordinary shares pursuant to:-							
- conversion of ICULS units	10,669,970	-	-	(4,508,214)	-	-	6,161,756
- subscription of warrants	225,960	55,360	-	-	(55,360)	-	225,960
Total comprehensive income	-	-	-	-	-	379,187	379,187
At 31 December 2012	34,217,370	10,245,398	5,527,459	1,108,276	1,897,643	(33,524,156)	19,471,990
2011							
At 1 January 2011	45,000,000	12,760,293	-	-	-	(45,788,695)	11,971,598
Par value reduction	(36,000,000)	-	5,527,459	-	-	30,472,541	-
Issuance of ordinary shares pursuant to rights issue	7,971,440	-	-	-	-	-	7,971,440
Issuance of warrants	-	(1,953,003)	-	-	1,953,003	-	-
Issuance of ICULS, net of tax	-	-	-	10,475,688	-	-	10,475,688
Issuance of ordinary shares pursuant to conversion of ICULS:-							
- by way of conversion of ICULS units	5,850,000	-	-	(4,859,198)	-	-	990,802
- by way of cash	500,000	-	-	-	-	-	500,000
Corporate exercises expenses relating to rights issue	-	(617,252)	-	-	-	-	(617,252)
Total comprehensive loss	-	-	-	-	-	(18,587,189)	(18,587,189)
At 31 December 2011	23,321,440	10,190,038	5,527,459	5,616,490	1,953,003	(33,903,343)	12,705,087

The accompanying notes form an integral part of the financial statements.

ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Attributable to Owners of the Parent						
	Non-distributable					Distributable	
Company	**Share Capital** (Note 19) RM	**Share Premium** (Note 20) RM	**Capital Reserve** (Note 21) RM	**ICULS** (Note 22) RM	**Warrant Reserve** (Note 23) RM	**Accumulated Losses** RM	**Total Equity** RM
2012							
At 1 January 2012	23,321,440	10,190,038	5,527,459	5,616,490	1,953,003	(34,292,872)	12,315,558
Issuance of ordinary shares pursuant to:-							
- conversion of ICULS units	10,669,970	-	-	(4,508,214)	-	-	6,161,756
- subscription of warrants	225,960	55,360	-	-	(55,360)	-	225,960
Total comprehensive loss	-	-	-	-	-	(66,381)	(66,381)
At 31 December 2012	34,217,370	10,245,398	5,527,459	1,108,276	1,897,643	(34,359,253)	18,636,893
2011							
At 1 January 2011	45,000,000	12,760,293	-	-	-	(30,472,541)	27,287,752
Par value reduction	(36,000,000)	-	5,527,459	-	-	30,472,541	-
Issuance of ordinary shares pursuant to rights issue	7,971,440	-	-	-	-	-	7,971,440
Issuance of warrants	-	(1,953,003)	-	-	1,953,003	-	-
Issuance of ICULS, net of tax	-	-	-	10,475,688	-	-	10,475,688
Issuance of ordinary shares pursuant to conversion of ICULS:-							
- by way of conversion of ICULS units	5,850,000	-	-	(4,859,198)	-	-	990,802
- by way of cash	500,000	-	-	-	-	-	500,000
Corporate exercises expenses relating to rights issue	-	(617,252)	-	-	-	-	(617,252)
Total comprehensive loss	-	-	-	-	-	(34,292,872)	(34,292,872)
At 31 December 2011	23,321,440	10,190,038	5,527,459	5,616,490	1,953,003	(34,292,872)	12,315,558

The accompanying notes form an integral part of the financial statements.

ASTRAL SUPREME BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Cash Flows From Operating Activities					
Cash receipts from customers and other receivables		8,304,502	6,032,519	579,831	15,000
Cash payments to suppliers and employees		(11,142,151)	(9,455,354)	(500,395)	(1,412,403)
Cash (used in)/generated from operations		(2,837,649)	(3,422,835)	79,436	(1,397,403)
Taxation paid		-	(34)	-	(34)
Net cash (used in)/generated from operating activities		(2,837,649)	(3,422,869)	79,436	(1,397,437)
Cash Flows From Investing Activities					
Interest received		246	7,072	-	7,072
Purchase of property, plant and equipment	29	(2,503,084)	(2,175,543)	(77,435)	-
Acquisition of subsidiaries	4(c)	-	-	(4)	-
Proceeds received from disposal of subsidiary company		-	700,000	-	700,000
Net cash (used in)/from investing activities		(2,502,838)	(1,468,471)	(77,439)	707,072
Cash Flows From Financing Activities					
Interest paid		(196,887)	(619,059)	(17,515)	(48,709)
Other payables		-	(2,237)	-	-
Advances from/(to) directors		207,962	(8,762,091)	207,962	(8,762,091)
Amount from/(to) associated company		580,720	(1,231,765)	430,720	(1,231,765)
Amount to related parties		-	(6,275)	-	(1,657)
Amount from/(to) subsidiaries		-	-	(6,091,697)	(9,114,005)
Changes in banking facilities		(175,375)	(3,532,540)	-	-
Placement of fixed deposit with a licensed bank		(50,000)	-	-	-
Repayment of hire-purchase payables		(476,972)	(786,229)	-	-
Net proceeds from rights issue		-	7,354,188	-	7,354,188
Proceeds from issuance of ICULS		-	12,000,000	-	12,000,000
Proceeds from conversion of ICULS and warrants		5,468,480	500,000	5,468,480	500,000
Net cash from/(used in) financing activities		5,357,928	4,913,992	(2,050)	695,961

ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Net increase/(decrease) in cash and cash equivalents	17,441	22,652	(53)	5,596
Cash and cash equivalents at beginning of the financial year	40,993	18,341	14,763	9,167
Cash and cash equivalents at end of the financial year	58,434	40,993	14,710	14,763
Cash and cash equivalents at end of the financial year comprises:				
Cash and bank balances	48,434	40,993	14,710	14,763
Fixed deposit with a licensed bank	50,000	-	-	-
	98,434	40,993	14,710	14,763
Less: Deposit pledged with a licensed bank	(40,000)	-	-	-
	58,434	40,993	14,710	14,763

The accompanying notes form an integral part of the financial statements.

ASTRAL SUPREME BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. **Corporate Information**

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies and associated company are stated in Note 4 and 5 to the financial statements.

The Company is a public company limited by shares incorporated under the Malaysian Companies Act, 1965 and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at Lot 20, Kulim Industrial Estate, 09000 Kulim, Kedah Darul Aman.

2. **Significant Accounting Policies**

(a) Basis of accounting

The financial statements of the Group have been prepared on the historical cost convention unless otherwise indicated in the accounting policies below and in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

During the financial year, the Group has adopted Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB") on 19 November 2011, which are mandatory for annual financial periods beginning on or after 1 January 2012. As this is the Group's first financial statements prepared in accordance with MFRSs, the requirements of MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards have been applied.

In the previous financial year, the financial statements of the Group of the Company were prepared in accordance with Financial Reporting Standards ("FRSs"). The transition to MFRSs does not have any significant financial and disclosure impact on the financial statements of the Group.

The Directors of the Group and the Company anticipate that the application of the following Malaysian Financial Reporting Standards ("MFRSs") which are mandatory and will be effective for financial periods as stated below will have no material impact on the financial statements of the Company:-

		Effective date for financial periods beginning on or after
Amendments to MFRS 101	Presentation of items of Other Comprehensive Income	1 July 2012
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements *(IAS 27 as amended by IASB in June 2011)*	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures *(IAS 28 as amended by IASB in June 2011)*	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Annual improvements 2009-2011 Cycle		1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(c) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(i) Depreciation of property, plant and equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of the property, plant and equipment as stated in Note 2(e)(iii). These are common life expectancies applied in the industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Deferred tax asset

Deferred tax asset is recognised for unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which tax losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iii) Income taxes

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the Group-wide provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iv) Impairment of financial assets

Investment in unquoted shares carried at cost

In the determination of the value in use of the investment, the Group is required to estimate the expected future cash flows to be generated by the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Loans and receivables

The impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. This is determined based on the ageing profile, expected collection patterns of individual receivable balances, credit quality and credit losses incurred. Management carefully monitors the credit quality of receivable balances and makes estimates about the amount of credit losses that have been incurred at each financial statements reporting date. Any changes to the ageing profile, collection patterns, credit quality and credit losses can have an impact on the impairment recorded.

(v) Impairment of non-financial assets

The Group assesses impairment of property, plant and equipment when the events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value after taking into account the costs to sell or expected value in use of the relevant assets.

(vi) Allowance for inventory write down

Allowance for inventory write down is made based on an analysis of the ageing profile and expected sales patterns of individual items held in inventory. This requires an analysis of inventory usage based on expected future sales transactions taking into account current market prices, useful lives of vehicle models and expected cost to sell. Changes in the inventory ageing and expected usage profiles can have an impact on the allowance recorded.

(vii) Provisions for liabilities

Provisions for liabilities are recognised in accordance with accounting policy in Note 2(k). To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the Group takes into consideration factors such as existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

(viii) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including discounted cash flow method. The inputs to these valuation models are taken from observable markets where possible. However, when this is considered unfeasible, a degree of judgement is made in establishing fair values. The judgements made include having considered a host of factors including liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(ix) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of the business.

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies and its associated companies through equity accounting, which are made up to the end of the financial year.

(i) Subsidiary companies

Subsidiary companies are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in the statements of comprehensive income.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any non-controlling interest. Any cost directly attributable to the acquisition is included in administrative expenses in profit and loss as incurred.

The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:-

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

(b) recognise immediately in profit or loss any excess remaining after that reassessment.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's assets in the event of liquidation are measured at either the fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests should be measured at their acquisition date fair values. The choice of measurement basis is made on a transaction-by-transaction basis. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date when the Group attains control and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

When increases or decreases in ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or profit or loss. When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group derecognises all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in profit or loss.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its fair value on acquisition date. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

(ii) Associated companies

Associated companies are entities over which the Group has significant influence and that are neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policies decision of the investee but not control or joint control over those policies.

Investments in associated companies are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in the statements of comprehensive income.

Investments in associated companies are accounted for using the equity method of accounting. Investments in associated companies include goodwill identified on acquisition, net of any accumulated impairment loss in accordance with Note 2(i).

Equity accounting involves recording investments in associated companies initially at cost, and recognising the Group's share of its associated companies' post-acquisition results and its share of post-acquisition movements in reserves against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

(iii) Changes in Group composition

Where a subsidiary issues new equity shares to non-controlling interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the consolidated statement of comprehensive income.

When the Group purchases a subsidiary's equity shares from non-controlling interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition accounting method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Transactions eliminated on consolidation

Intra-group balances including any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Transaction costs

Costs directly attributable to an acquisition are accounted for separately from the business combination and those costs being recognised as an expense in profit or loss as incurred.

(e) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 2(h).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of property, plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statements of comprehensive income as incurred.

(iii) Depreciation

Depreciation is recognised in the statements of comprehensive income on a straight-line basis over the estimated useful lives of property, plant and equipment.

Capital work-in-progress is not depreciated. Other property, plant and equipment are depreciated on a straight line method at rates calculated to write off the cost of these assets or their revalued amount to their residual value over their estimated useful lives as follows:

Plant and machinery	5 - 10 years
Furniture, fittings and equipment	5 - 10 years
Tools and equipment	5 - 10 years
Electrical fittings	5 - 10 years
Motor vehicles	5 - 10 years
Renovation	2 - 3 years

The depreciable amount is determined after deducting the residual value. Depreciation methods, useful lives and residual values are reassessed at each financial year end.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in statements of comprehensive income.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined on a first-in-first-out basis. The cost of raw materials comprises cost of purchase. The costs of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and appropriate proportions of production overhead.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term highly liquid investments that are readily convertible to cash and are subject to insignificant risk of changes in value. For the purpose of the statement of cash flow, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(h) Impairment of non-financial assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. An impairment loss is charged to the statement of comprehensive income immediately.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the statements of comprehensive income immediately.

(i) Hire purchase and finance lease

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as liabilities. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practical to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the statement of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment which are owned.

(j) Borrowing costs

Borrowing costs are recognised as an expense in the statements of comprehensive income in the period in which they are incurred.

(k) Provisions for liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(l) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on non-monetary items, such as financial assets held for trading held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non monetary items, such as equities classified as available-for-sale financial assets, are included in the exchange fluctuation reserve in the equity.

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of reporting date;

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the reporting date are translated into Ringgit Malaysia at the rates of exchange ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rate specified in such forward contracts are used. Foreign exchange differences arising on translation are recognised in the statements of comprehensive income.

Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the statement of comprehensive income.

The principal exchange rate used for every unit of foreign currencies ruling at the reporting date used is as follows:-

	2012 RM	2011 RM
1 United States Dollar (USD)	3.06	3.17
1 Singapore Dollar	2.50	2.44
1 EURO	4.04	4.11

(m) Revenue recognition

(i) Goods sold and services rendered

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from services rendered is recognised in the statements of comprehensive income upon performance of services and is measured at the fair value of the consideration receivable.

(ii) Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and effective interest rate applicable.

(iii) Management fee income

Management fee income is recognised on an accrued basis.

(n) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an assets or liabilities in the statements of financial position and its tax base at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date. The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the statements of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(o) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group/Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the statements of comprehensive income in the period to which they relate.

(p) Contingent assets and contingent liabilities

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

(q) Financial assets

Financial assets are recognised in the statements of financial position when the Group and the Company have become a party to the contractual provisions of the instruments.

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date except for financial assets at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are unquoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the statements of financial position.

Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in statements of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in statements of comprehensive income.

(r) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For an equity instrument, a significant or prolonged declined in fair value below its cost is also considered objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statements of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised costs, the reversal is recognised in statements of comprehensive income.

(s) Financial liabilities

Short-term borrowings, trade and other payables are classified as financial liabilities in the statement of financial position as there is a contractual obligation to make cash payments to another entity and is contractually obliged to settle the liabilities in cash.

Financial liabilities are initially recognised at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest method, except when the Group designates the liabilities at fair value through profit or loss. Financial liabilities are designated at fair value through profit or loss when:

(i) they are acquired or incurred for the purpose of selling or repurchasing in the near term;
(ii) the designation eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise from measuring financial liabilities or recognising gains or losses on them; or
(iii) the financial liability constrains an embedded derivative that would need to be separately recorded.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(t) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(u) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period and ordinary shares that will be issued upon the conversion of mandatorily convertible instruments from the date the contract is entered into.

(v) Operating segments

For management purposes, the Group is organised into operating segment based on their product and services/business activities. An operating segment's operating results are reviewed regularly by the chief operating decision maker, who will make decisions to allocate resources to the segments and assess the segment performance.

(w) Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

The ICULS are regarded as compound instruments, consisting of a liability component and an equity component. The component of ICULS that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position.

The fair value of the liability component is determined by discounting the future contractual cash flows of principal and interest payments at the prevailing market rate for equivalent non-convertible loan stocks. This amount is carried as liability on the amortised cost basis until extinguished on conversion or maturity of the instruments.

The interests on ICULS are recognised as interest expense in the statements of comprehensive income using the effective interest rate method.

The fair value of the equity component represented by the conversion option is determined by deducting the fair value of the liability component from the notional amount of the loan stocks and is included in shareholders' equity.

(x) Warrants reserve

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

3. **Property, Plant and Equipment**

Group **2012**	**Plant and machinery** RM	**Furniture, fittings and equipment** RM	**Tools and equipment** RM	**Electrical fittings** RM	**Motor vehicles** RM	**Renovation** RM	**Capital work-in-progress** RM	**Total** RM
Cost								
At 1.1.2012	6,929,270	1,651,180	2,043,643	368,920	519,597	59,512	2,081,955	13,654,077
Additions	3,335,326	138,557	256,236	-	-	102,965	-	3,833,084
Reclassification	2,081,955	-	-	-	-	-	(2,081,955)	-
Disposal	-	-	-	-	(427,597)	-	-	(427,597)
At 31.12.2012	12,346,551	1,789,737	2,299,879	368,920	92,000	162,477	-	17,059,564
Accumulated depreciation								
At 1.1.2012	4,917,411	1,568,227	2,006,035	368,920	519,595	59,512	-	9,439,700
Charge for the financial year	524,060	32,847	54,988	-	-	3,785	-	615,680
Disposal	-	-	-	-	(427,596)	-	-	(427,596)
At 31.12.2012	5,441,471	1,601,074	2,061,023	368,920	91,999	63,297	-	9,627,784
Carrying amount								
At 31.12.2012	6,905,080	188,663	238,856	-	1	99,180		7,431,780

Group 2011	**Plant and machinery** RM	**Furniture, fittings and equipment** RM	**Tools and equipment** RM	**Electrical fittings** RM	**Motor vehicles** RM	**Renovation** RM	**Capital work-in-progress** RM	**Total** RM
Cost								
At 1.1.2011	6,923,660	1,571,002	2,035,843	368,920	519,597	59,512	-	11,478,534
Additions	5,610	80,178	7,800	-	-	-	2,081,955	2,175,543
At 31.12.2011	6,929,270	1,651,180	2,043,643	368,920	519,597	59,512	2,081,955	13,654,077
Accumulated depreciation								
At 1.1.2011	4,517,944	1,551,587	1,981,813	368,920	519,595	59,512	-	8,999,371
Charge for the financial year	399,467	16,640	24,222	-	-	-	-	440,329
At 31.12.2011	4,917,411	1,568,227	2,006,035	368,920	519,595	59,512	-	9,439,700
Carrying amount								
At 31.12.2011	2,011,859	82,953	37,608	-	2	-	2,081,955	4,214,377

Company	**Furniture, fittings and equipment** RM	**Renovation** RM	**Total** RM
2012			
Cost			
At 1.1.2012	129,504	59,512	189,016
Additions	35,460	41,975	77,435
At 31.12.2012	164,964	101,487	266,451
Accumulated depreciation			
At 1.1.2012	125,385	59,512	184,897
Charge for the financial year	1,123	175	1,298
At 31.12.2012	126,508	59,687	186,195
Carrying amount			
At 31.12.2011	38,456	41,800	80,256
2011			
Cost			
At 1.1.2011/31.12.2011	129,504	59,512	189,016
Accumulated depreciation			
At 1.1.2011	124,089	59,512	183,601
Charge for the financial year	1,296	-	1,296
At 31.12.2011	125,385	59,512	184,897
Carrying amount			
At 31.12.2011	4,119	-	4,119

Included in the property, plant and equipment of the Group are plant and machinery acquired under hire purchase arrangement and term loan financing with carrying amount of RM1,480,170 and RM3,944,567 (2011: RM1,818,340 and RM Nil) respectively.

Included in the property, plant and equipment of the Group are plant and machinery pledged for bank borrowing amounting to RM3,944,567 (2011: RM Nil).

4. **Investment in Subsidiary Companies**

(a) Investment in subsidiary companies

	Company 2012 RM	Company 2011 RM
Unquoted shares in Malaysia, at cost		
At 1 January	42,100,000	42,100,000
Acquisition of subsidiaries	4	-
At 31 December	42,100,004	42,100,000
Less: Impairment loss	(38,005,429)	(38,005,429)
At carrying amount	4,094,575	4,094,571

(b) The subsidiary companies and shareholdings therein are as follows:-

Name of company	**Country of incorporation**	**Effective interest 2012 %**	**Effective interest 2011 %**	**Principal activities**
Direct holding -				
Singatronics (Malaysia) Sdn. Bhd.	Malaysia	100	100	Manufacture, assemble and export of electronic and electrical consumer and industrial products
Astral-GMO Sdn. Bhd.	Malaysia	100	100	Dormant, previously was engaged in the business of trading of the electronic and electrical consumer and industrial products
Astral Supreme Construction Sdn. Bhd. ("ASC")	Malaysia	100	-	Dormant
Astral Supreme Development Sdn. Bhd. ("ASD")	Malaysia	100	-	Dormant

(c) During the financial year, the Company has acquired the entire equity interest of ASC and ASD represented by 2 ordinary shares of RM1.00 each for a total cash consideration of RM4.

The effect of the acquisition on the financial results of the Group is as follows:-

	1.2.2012 to 31.12.2012 RM
Revenue	-
Other operating income	246
Administrative expenses	(9,968)
Loss for the financial period	(9,722)

The fair value of the assets acquired and liabilities assumed from the acquisition of the subsidiary companies is as follows:-

	2012 RM
Net assets acquired:-	
Cash and bank balances/Fair value of net assets acquired	4
Less cash and cash equivalent acquired	(4)
Net cash outflow from acquisition of a subsidiary companies	-

(d) An impairment loss on investment in subsidiary company amounting to RM28,055,429 relating to a subsidiary, Singatronics (Malaysia) Sdn. Bhd., had been recognised in the previous financial year due to declining business operations as a result of declining orders and demand from major customers. The recoverable amount was determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by the management covering a five (5)-year period. The discount rate applied to the cash flow projections were 12.02% based on the weighted average cost of capital of the Company.

5. **Investment in Associated Company**

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Unquoted shares in Malaysia, at cost	8,000,000	8,000,000	5,001,155	5,001,155
Less: Impairment loss	(8,000,000)	(8,000,000)	(5,001,155)	(5,001,155)
	-	-	-	-

In the previous financial year, the Group and the Company has recognised impairment loss on investment in associate amounting to RM8,000,000 and RM5,001,155 respectively due to cessation of business operations of the associated company.

The details of the associated company and shareholdings therein are as follows:-

Name of company	Country of incorporation	Effective interest 2012 %	2011 %	Principal activities
* Sing Guan Silk Screen (Cambodia) Co. Ltd.	Cambodia	37.6	37.6	Engaged in the business of silk screen printing
Held by Singatronics (Malaysia) Sdn. Bhd.				
Sing Guan Silk Screen (Cambodia) Co. Ltd.	Cambodia	11.4	11.4	Engaged in the business of silk screen printing

*No equity accounting was prepared on the results of the associated company. The Group has discontinued recognising the share of losses of associated company as the losses exceeded its cost of investment.

6. Deferred Tax Asset/(Liability)

	Group/Company 2012 RM	2011 RM
Represented as:-		
Deferred tax assets	23,085	254,636
Deferred tax liabilities	(151)	(151)
	(22,934)	254,485

Deferred tax assets	Group/Company 2012 RM	2011 RM
At 1 January	254,636	-
Arising from issuance of ICULS	-	508,104
Recognised in statements of comprehensive income upon conversion	(231,551)	(253,468)
At 31 December	23,085	254,636

Deferred tax liability of the Group/Company is derived from accelerated capital allowances.

Deferred tax assets and liabilities of the Group and the Company have not been recognised in respect of the following temporary differences:-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Reinvestment allowances	736,949	451,023	-	-
Unutilised special allowance for export	2,241,916	2,241,916	-	-
Unused tax losses	9,131,902	9,314,692	768,382	951,172
Unutilised capital allowances	1,895,706	609,932	-	2,777
(Accelerated)/Decelerated capital allowances	(1,481,979)	225,938	(12,491)	(2,973)
	12,523,286	12,843,501	755,891	950,976

The unused tax losses and unutilised capital allowances are available indefinitely for offset against future taxable profits of the respective subsidiary companies.

7. Inventories

	Group	
	2012	2011
	RM	RM
At cost:		
Raw materials	2,665,763	2,606,455
Work in progress	449,671	262,757
Finished goods	94,885	74,133
	3,210,319	2,943,345

8. Trade Receivables

The Group's normal trade credit terms range from 30 to 90 days (2011: 30 to 90 days). Other credit terms are assessed and approved on a case to case basis.

Ageing analysis of trade receivables

The ageing analysis of the trade receivables are as follows:-

	Group	
	2012	2011
	RM	RM
Neither past due or impaired	4,342,090	777,819
More than 1 year past due but not impaired	951,897	2,033,859
	5,293,987	2,811,678

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. These debtors are mostly long term customers with no history of default in payments.

The Group's trade receivables of RM951,897 (2011: RM2,033,859) that are past due at the reporting date but not impaired relate mainly to customers who have never defaulted on payments but are slow paymasters hence, periodically monitored.

The currency exposure profile is as follows:-

	Group	
	2012	2011
	RM	RM
US Dollar	1,764,509	1,960,582
EURO	2,059,207	591,177
Ringgit Malaysia	1,470,271	259,919
	5,293,987	2,811,678

Included in trade receivables of the Group is a sum of RM5,053,061 (2011: RM2,470,725) owing by 5 (2011: 4) major customers which accounts for 95% (2011: 88%) of the total trade receivables. The Group has no other significant concentration of credit risk other than stated above.

9. Other Receivables

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other receivables	2,292,233	2,840,620	150,369	950,000
Deposits	340,625	121,325	246,798	26,998
Prepayments	565,211	1,316	-	-
	3,198,069	2,963,261	397,167	976,998
Less: Allowance for impairment	(1,887,065)	(1,887,065)	-	-
	1,311,004	1,076,196	397,167	976,998

Movement in allowance for impairment during the financial year are as follows:

	Group	
	2012	2011
	RM	RM
At 1 January	1,887,065	-
Additions	-	1,887,065
At 31 December	1,887,065	1,887,065

10. **Amount Owing By/(To) Subsidiary Companies**

This represents unsecured interest free advances which are repayable on demand.

11. **Amount Owing By Associated Company**

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Amount owing by associated company	11,146,759	11,727,479	7,556,675	7,987,395
Less: Allowance for impairment	(3,158,765)	(3,158,765)	-	-
	7,987,994	8,568,714	7,556,675	7,987,395

The amount owing by associated company represents unsecured interest free advances which are repayable on demand and is denominated in United States Dollar.

12. **Fixed Deposit With A Licensed Bank**

	Group	
	2012	2011
	RM	RM
Deposit placed with a licensed bank	50,000	-

Included in the above amount is RM40,000 pledged with a licensed bank for arrangement of freight of goods under Jabatan Kastam Diraja Malaysia.

The interest rate of deposit during the financial year is 3.1% (2011: Nil) per annum.

13. **Trade Payables**

The Group's normal trade credit terms range from 30 to 90 days (2011: 30 to 90 days).

The currency exposure profile is as follows:-

	Group	
	2012	2011
	RM	RM
US Dollar	231,633	556,940
EURO	396,276	682,012
Singapore Dollar	-	9,774
Ringgit Malaysia	935,789	9,694
	1,563,698	1,258,420

14. Other Payables

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other payables	1,030,472	2,347,874	124,800	132,637
Deposits	1,000	186,684	-	-
Accruals	851,137	985,029	469,349	710,973
	1,882,609	3,519,587	594,149	843,610

15. Amount Owing To A Related Party

(a) Related party refers to a former key management personnel of the Company.

(b) These represent unsecured interest free advances which are repayable on demand.

16. Amount Owing To Directors

This represents unsecured interest free advances which are repayable on demand.

17. Hire Purchase Payables

	Group	
	2012	2011
	RM	RM
(a) Future minimum payments		
Within one year	605,193	630,769
Between one and two years	228,607	512,981
Repayable between one and five years	-	228,607
	833,800	1,372,357
Less: Finance charges	(40,531)	(102,116)
	793,269	1,270,241
(b) Present value representing hire purchase liabilities		
Within one year	568,016	528,653
Between one and two years	225,253	568,016
Repayable between one and five years	-	173,573
	793,269	1,270,241
Analysed as:		
Repayable within twelve months	568,016	528,653
Repayable after twelve months	225,253	741,588
	793,269	1,270,241

Interest rate on hire purchase for the current financial year is 7.60% (2011: 7.60%) per annum.

18. Term Loan

	Group 2012 RM	2011 RM
Analysed as follows:-		
Repayable within twelve months	240,584	-
Repayable after twelve months	914,041	-
	1,154,625	-

Maturity of borrowing is as follows:-

	Group 2012 RM	2011 RM
Within one year	240,584	-
Between one and two years	260,165	-
Later than two years and not later than five years	653,876	-
	1,154,625	-

The term loan is secured by way of:-

(i) Corporate guarantee by the Company for an amount up to RM1,330,000 (2011: RM Nil);

(ii) Specific debenture over plant and machinery of the Group as disclosed in Note 3; and

(iii) Personal guarantee by one of the Directors of the Company.

The interest rate is as follows:-

		2012 %	2011 %
Term loan	Floating rate	7.85	-

19. Share Capital

		Group/Company			
	Par value RM	Number of ordinary shares 2012	2011	Amount 2012 RM	2011 RM
Authorised share capital:					
At 1 January					
- At par value RM1.00	1.00	-	100,000,000	-	100,000,000
- At par value RM0.20	0.20	500,000,000	-	100,000,000	-
Increase in number of shares as a result of par value reduction	0.20	-	400,000,000	-	-
At 31 December	0.20	500,000,000	500,000,000	100,000,000	100,000,000
Issued and fully paid:					
At 1 January					
- At par value RM1.00	1.00	-	45,000,000	-	45,000,000
- At par value RM0.20	0.20	116,607,200	-	23,321,440	-
Par value reduction	1.00	-	-	-	(36,000,000)
Issuance of ordinary shares pursuant to rights issue	0.20	-	39,857,200	-	7,971,440
Issuance of ordinary shares pursuant to conversion of ICULS by way of:-					
- conversion of ICULS units	0.20	53,349,850	29,250,000	10,669,970	5,850,000
- cash	0.20	-	2,500,000	-	500,000
Issuance of ordinary shares pursuant to exercise of warrants	0.20	1,129,800	-	225,960	-
At 31 December		171,086,850	116,607,200	34,217,370	23,321,440

During the financial year, the issued and paid-up share capital of the Company was increased from RM23,321,440 to RM34,217,370 by:-

(a) conversion of a total of 52,830,200 ICULS into 52,830,200 new ordinary shares of RM0.20 each of the Company by surrendering for cancellation RM0.10 nominal value of ICULS and paying RM0.10 cash for every one (1) new ordinary share of RM0.20 each in the Company;

(b) conversion of a total of 1,444,300 ICULS into 519,650 new ordinary shares of RM0.20 each of the Company by surrendering for cancellation the ICULS with aggregate nominal value equivalent to the conversion price as at date of conversion for every one (1) new ordinary share of RM0.20 each in the Company; and

(c) subscription of a total of 1,129,800 warrants into 1,129,800 new ordinary shares of RM0.20 each of the Company at an exercise price of RM0.20 each for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

20. **Share Premium**

	Group/Company	
	2012	2011
	RM	RM
At 1 January	10,190,038	12,760,293
Share premium reduction pursuant to issuance of warrants	-	(1,953,003)
Corporate exercise expenses relating to rights issue	-	(617,252)
Warrants exercised	55,360	-
At 31 December	10,245,398	10,190,038

The share premium is not distributable by way of cash dividends and may be utilised in the manner as set out in Section 60(3) of the Companies Act 1965.

21. **Capital Reserves**

A capital reserve was set up as a result of the Par Value Reduction exercised in the previous financial year.

22. **Irredeemable Convertible Unsecured Loan Stocks ("ICULS")**

	Group/Company	
	2012	2011
	RM	RM
Equity component		
At 1 January	5,616,490	-
Arising from right issue with warrants during the financial year	-	9,967,584
Effects of deferred tax	-	508,104
Converted during the financial year	(4,508,214)	(4,859,198)
At 31 December	1,108,276	5,616,490
Liability component		
At 1 January	1,018,544	-
Arising from rights issue with warrants during the financial year	-	2,032,416
Converted during the financial year	(919,236)	(990,802)
Amortisation charge during the financial year	(6,968)	(23,070)
At 31 December	92,340	1,018,544

The ICULS represent the unconverted portion of the original RM12,000,000 nominal value of 10-year 3% ICULS issued and allotted at 100% of the nominal value at RM0.10 each, net of deferred tax.

The ICULS have a tenure of ten years from the date of issue and will not be redeemable in cash. All outstanding ICULS will be mandatorily converted by the Company into new ordinary shares at the conversion price applicable on the maturity date.

The ICULS are convertible into fully paid ordinary shares of RM0.20 each at any time during the tenure of the ICULS from 11 August 2011 to the maturity date on 10 August 2021 by:

(a) surrending for cancellation the ICULS with an aggregate nominal value equivalent to the Conversion Price; or

(b) surrending for cancellation of RM0.10 nominal value of ICULS and paying the difference between the nominal value of ICULS and the Conversion Price in cash, for every one (1) new ordinary share of RM0.20 each.

Upon conversion of the ICULS into new ordinary shares, such shares would rank pari passu in all material respects with the existing ordinary shares of the Company in issue at the date of allotment of the new ordinary shares.

The ICULS holders are not entitled to participate in any distribution and/or offer of securities in the Company until and unless such ICULS holders convert the ICULS into new ordinary shares of the Company before the determination of the entitlement date for the distribution and/or offer of securities.

The interest on unconverted ICULS is at the rate of 3% per annum on the nominal value of the ICULS commencing August 2011 and is payable annually in arrears on August in each year.

23. Warrants Reserve

	Group/Company	
	2012	2011
	RM	RM
At 1 January	1,953,003	-
Arising from rights issue with warrants during the financial year	-	1,953,003
Warrants exercised	(55,360)	-
At 31 December	1,897,643	1,953,003

On 11 August 2011, the Company allotted the Rights Issue of 39,857,200 new ordinary shares of RM0.20 each in the Company together with 39,857,200 free warrants at an issue price of RM0.20 per Rights Issue on the basis of one Rights Issue together with one warrant for every one (1) existing ordinary shares of the Company.

Each warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or after 11 August 2011 up to the date of expiry on 10 August 2016, at an exercise price of RM0.20 each or such adjusted price in accordance with the provisions in the Deed Poll. The warrants were listed on the Main Market of Bursa Securities with effect from 11 August 2011.

During the financial year, a total warrants of 1,129,800 were exercised. As at the reporting date, 38,727,400 (2011: 39,857,200) warrants remain unexercised.

The fair value of the warrants is estimated using the Binomial option pricing model, taking into account the terms and conditions upon which the warrants are acquired. The fair value of the warrants measured at issuance date and the assumptions are as follows:

Underlying price	RM0.19
Exercise price	RM0.20
Maturity date	10.8.2016
Tenure	5 years
Expected dividend yield	Nil
Risk free interest rate	3.2%
Volatility rate	26%
Allocated fair value of free warrant per warrant	RM0.049
Total number of warrant	39,857,200

The underlying price represents 5-day volume weighted average market price of Astral up to 11 August 2011.

24. Revenue

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Sales of electronic, electrical and industrial products	10,965,794	5,398,791	-	-
Management fee received/receivable from subsidiary company	-	-	480,000	480,000
	10,965,794	5,398,791	480,000	480,000

25. Profit/(Loss) From Operations

Profit/(Loss) from operations is derived after charging/(crediting):-

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Auditors' remuneration	48,000	51,000	20,000	25,000
Allowance for impairment loss on:-				
- investment in subsidiary company	-	-	-	28,005,429
- investment in associated company	-	8,000,000	-	5,001,155
- amount owing by associated company	-	3,158,765	-	-
- other receivables	-	1,887,065	-	-
Depreciation of property, plant and equipment	615,680	440,329	1,298	1,296
Building rental	378,200	360,000	18,200	-
Loss on disposal of property, plant and equipment	1	-	-	-
Realised loss/(gain) on foreign exchange	99,886	(18,771)	-	
Unrealised gain on foreign exchange	(3,297)	(9,203)	-	-
Interest income	(246)	-	-	-
Inventories written off	6,177	88,388	-	-
Scrap written off	59,078	18,730	-	-
Preliminary expenses written off	4,600	-	-	-

26. Finance Costs

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Interest expenses on:-				
ICULS				
- current year	14,859	48,708	14,859	48,708
- over provided in prior year	(41,433)	-	(41,433)	-
	(26,574)	48,708	(26,574)	48,708
Hire purchase	76,542	116,781	-	-
Term loan	102,830	211,990	-	-
	152,798	377,479	(26,574)	48,708

27. Taxation

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Deferred tax:				
- Relating to origination and reversal of temporary differences	231,551	253,468	231,551	253,468

Income tax is calculated at the statutory rate of 25% (2011: 25%) on chargeable income of the estimated assessable profit/(loss) for the financial year.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company is as follows:-

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Profit/(Loss) before taxation	610,738	(18,333,721)	165,170	(34,039,404)
Taxation at statutory tax rate of 25% (2011: 25%)	152,685	(4,583,431)	41,293	(8,509,851)
Expenses not deductible for tax purposes	307,889	3,304,157	278,741	8,198,623
Deferred tax assets not recognised	-	1,532,742	-	564,696
Utilisation of previous unrecognised deferred tax assets	(229,023)	-	(88,483)	-
Tax expense for the financial year	231,551	253,468	231,551	253,468

28. Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share ("EPS") is calculated by dividing the profit/(loss) for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2012	2011
	RM	RM
Profit/(Loss) attributable to owners of the parent	379,187	(18,587,189)
Total weighted average number of ordinary shares in issue	150,001,388	65,217,321
Basic earnings/(loss) per share (sen)	0.25	(28.50)

(b) Fully diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by dividing the profit/(loss) for the year attributable to owners of the parent and the adjusted weighted average number of ordinary shares in issue and issuable.

The fully diluted earnings/(loss) per share for the Group is not presented as there was no dilutive effect on the profit/(loss) per share arising from the potential ordinary shares during the financial year.

29. Purchase of Property, Plant and Equipment

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Aggregate cost	3,833,084	2,175,543	77,435	-
Hire purchase finance	(1,330,000)	-	-	-
Cash payments	2,503,084	2,175,543	77,435	-

30. Staff Information

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Staff costs	2,824,153	2,271,805	53,000	198,250

Included in staff costs (excluding Directors) are contribution made to the Employees Provident Fund under a defined contribution plan for the Group and the Company of RM261,289 and RM Nil (2011: RM189,729 and RM156) respectively.

31. Key Management Personnel Compensation

The key management personnel compensation is as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Company's Directors				
- Salaries and other emoluments	48,000	862,000	-	670,000
- EPF	5,760	7,440	-	-
- Fees	52,050	144,000	52,050	144,000
- Estimated money value of benefits-in-kind	103	516	-	-

Key management personnel comprise Directors of the Group and the Company, who have authority and responsibility for planning, directing and controlling the activities of the Group and Company either directly or indirectly.

32. Capital Commitment

	Group	
	2012	2011
	RM	RM
Property, plant and equipment:-		
Approved and contracted for	4,150,000	282,073

33. Contingent Liability

	Group/Company	
	2012	2011
	RM	RM
Corporate guarantees given to associate company	3,876,727	8,060,049

34. Significant Related Party Transaction

The following transaction has been entered into in the normal course of business and has been established on commercial terms:-

	Company 2012 RM	Company 2011 RM
Management fee received/receivable from subsidiary company:		
Singatronics (Malaysia) Sdn. Bhd.	480,000	480,000

The Directors are of the opinion that all the transaction above has been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transaction with unrelated parties.

35. Segment Information - Group

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

The reportable business segments of the Group comprise the following:-

Electronic and electrical : Electronic, electrical and industrial products

Investment holding : Holding company investment holding

During the financial year, other non-reportable segments comprise operations of a subsidiary company which are inactive.

Segment revenue, results, assets and liabilities include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenues are eliminated on consolidation.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment total assets are used to measure the return of assets of each segment.

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors.

The accounting policies of the segments are consistent with the accounting policies of the Group.

2012	Electronic and electrical RM	Investment holding RM	Total RM
Revenue			
Total revenue	10,965,794	480,000	11,445,794
Inter-segment revenue	-	(480,000)	(480,000)
Total segment revenue	10,965,794	-	10,965,794
Results			
Segment profit	456,597	165,170	621,767
Included in the segment profit are:-			
Depreciation of property, plant and equipment	614,382	1,298	615,680
Finance costs	179,372	(26,574)	152,798
Assets			
Segment assets			
Included in the segment assets are:-	16,801,196	19,781,794	36,582,990
Additions to non-current assets other than financial instruments and deferred tax assets	3,755,649	77,435	3,833,084
Liabilities			
Segment liabilities	12,350,028	1,144,901	13,494,929
2011			
Revenue			
Total revenue	5,398,791	480,000	5,878,791
Inter-segment revenue	-	(480,000)	(480,000)
Total segment revenue	5,398,791	-	5,398,791
Results			
Segment loss	(9,818,478)	(34,039,404)	(43,857,882)
Included in the segment loss are:-			
Depreciation of property, plant and equipment	439,033	1,296	440,329
Finance costs	328,771	48,708	377,479
Allowance for impairment loss on:-			
- investment in subsidiary company	-	28,005,429	28,005,429
- investment in associated company	-	8,000,000	8,000,000
- amount owing by associated company	3,158,765	-	3,158,765
- other receivables	1,887,065	-	1,887,065

2011	Electronic and electrical RM	Investment holding RM	Total RM
Assets			
Segment assets	10,538,708	14,680,766	25,219,474
Included in the segment assets are:-			
Additions to non-current assets other than financial instruments and deferred tax assets	2,175,543	-	2,175,543
Liabilities			
Segment liabilities	6,544,137	2,365,208	8,909,345

Reconciliation of reportable segment profit and loss, assets and liabilities and other material items are as follows:-

	2012 RM	2011 RM
Total profit/(loss) for reportable segments	621,767	(43,857,882)
Other non reportable segments	(11,275)	(6,727)
Reversal of allowance for impairment loss on investment in subsidiary company	-	28,005,429
Adjustment for taxation	(231,551)	(253,468)
Interest income	246	-
Allowance for impairment loss on investment in associated company at group level	-	(2,474,541)
Consolidated loss after tax	379,187	(18,587,189)

2012	Interest income RM	Segment assets RM	Segment liabilities RM
Total reportable segments	-	36,582,990	13,494,929
Other non-reportable segment	(246)	543,855	65,350
Elimination of inter-segment transactions balances	-	(11,793,327)	(7,675,666)
Consolidated total	(246)	25,333,518	5,884,613
2011			
Total reportable segments		25,219,474	8,909,345
Other non-reportable segment		946,313	456,783
Elimination of inter-segment transactions balances		(6,255,848)	(2,161,276)
Consolidated total		19,909,939	7,204,852

The geographic segments of the Group comprise the following:-

	Malaysia RM	Germany RM	Taiwan RM	Iraq RM	Others RM	Total RM
2012						
External revenue	2,200,484	7,278,367	-	1,474,293	12,650	10,965,794
2011						
External revenue	165,910	5,816,732	(1,030,571)	-	446,720	5,398,791

The following are major customers with revenue equal or more than 10% of the Group revenue:-

	Revenue		Segment
	2012 RM	2011 RM	
4 major customers (2011: 1)	10,161,660	5,482,020	Electronic and electrical

36. **Financial Instruments**

(a) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity and cash flow risk.

(b) Foreign currency exchange risk

The Group and the Company are exposed to foreign currency risk on sales, purchases, assets and liabilities that are denominated in a currency other than Ringgit Malaysia. The Company maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs.

Exposure to foreign currency risk

The Group and the Company's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period was:-

Functional Currency	**United States Dollar ("USD")**	**Euro ("EUR")**	**Singapore Dollar ("SGD")**	**Total**
Group	RM	RM	RM	RM
2012				
Trade receivables	1,764,509	2,059,207	-	3,823,716
Cash at bank	3,678	-	-	3,678
Amount owing by associated company	7,987,994	-	-	7,987,994
Trade payables	(231,633)	(396,276)	-	(627,909)
	9,524,548	1,662,931	-	11,187,479
2011				
Trade receivables	1,960,582	591,177	-	2,551,759
Cash at bank	3,552	-	-	3,552
Amount owing by associated company	8,568,714	-	-	8,568,714
Trade payables	(556,940)	(682,012)	(9,774)	(1,248,726)
	9,975,908	(120,835)	(9,774)	9,875,299
Company				
2012				
Amount owing by associated company	7,556,675	-	-	7,556,675
2011				
Amount owing by associated company	7,987,395	-	-	7,987,395

Currency risk sensitivity analysis

The following table shows the sensitivity of the Group and the Company's profit net of tax to a reasonably possible change in the USD, Euro and SGD exchange rates against the respective functional currencies of the Group and the Company, with all other variables remain constant.

	Profit net of tax
Group	RM
USD/RM - strengthening 5%	476,227
Euro/RM - strengthening 5%	83,147
Company	
USD/RM - strengthening 5%	377,834

A 5% weakening of RM against the above currencies at the end of the reporting period would have had equal opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(c) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from borrowings and deposits. The Group does not hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:-

	2012 RM
Floating rate instrument	
Term loan	1,154,625

Interest rate risk sensitivity analysis

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increase/decrease equity and profit net of tax by the amounts shown below, assuming all other variables remain constant.

	Profit net of tax **50bp** **Increase/(Decrease)** **RM**
Group	
Floating rate instrument:-	
Bank borrowings	(5,773)

(d) Credit risk

Exposure to credit risk

The Group's exposure to credit risk arises mainly from receivables. Receivables are monitored on an ongoing basis via management reporting procedure and action is taken to recover debts when due.

Credit risk concentration profile

At reporting date, there was no significant concentration of credit risk other than disclosed in Note 8. The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the balance sheet.

The Group also determines concentration of credit risk by monitoring the country profiles of its trade receivables on an ongoing basis as follows:-

	2012 RM	2011 RM
By country		
Malaysia	1,707,651	52,507
Australia	456,724	650,998
Taiwan	-	1,228,551
Germany	2,059,207	770,246
USA	-	89,762
Iraq	1,070,405	-
Others	-	19,614
	5,293,987	2,811,678

(e) Liquidity and cash flow risk

Liquidity risk is the risk the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group also maintains a certain level of cash to meet its working capital requirements.

Maturity analysis

The table below summarises the maturity profile of Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	On demand or within one year RM	**Two to five years** RM	**Over five years** RM	**Total** RM
Financial liabilities:-				
Trade and other payables	1,882,609	-	-	1,882,609
Hire purchase payables	568,016	225,253	-	793,269
Term loan	240,584	914,041	-	1,154,625
ICULS	-	-	92,340	92,340
	2,691,209	1,139,294	92,340	3,922,843

(f) Fair value of financial instruments

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, inter company balances and short term borrowings approximate fair value either due to the relatively short term nature of these financial instruments or that they are floating instruments that are re-priced to market interest rates on or near the end of the reporting period.

The aggregate fair values of the financial liabilities as at 31 December 2012 are as follows:-

	2012		2011	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial liabilities				
Long term hire purchase payables	225,253	209,341	741,588	590,992
ICULS	92,340	92,340	1,018,544	1,018,544

The fair value of long term hire purchases and long term loan estimated based on the quoted market prices for the same or similar issues or on the current rates available for borrowings with the same maturity profile.

Interest rates used to determine fair value:-

	2012 % p.a.	2011 % p.a.
Hire purchase payables	7.60	7.60
ICULS	12.02	12.02

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The fair value of long term hire purchase payables carried on the statement of financial position is estimated using valuation technique under the hierarchy level 2 mentioned below whereby the expected future cash flows of the hire purchase payables is discounted at the market interest rate for similar types of borrowing.

37. **Capital Management**

The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholder value.

The Group monitors the capital using gearing ratio, which is net borrowings divided by equity attributable to owners of the parent. The Group's policy is to keep the gearing ratio within reasonable levels.

	2012 RM	2011 RM
Total borrowings	2,040,234	2,288,785
Less: Cash and cash equivalents	(98,434)	(40,993)
Adjustment for pledged fixed deposit with a licensed bank	40,000	-
	(58,434)	(40,993)
Net borrowings	1,981,800	2,247,792
Equity attributable to owners of the parent	19,471,990	12,705,087
Gearing ratio	0.10	0.18

There were no changes to the Group's approach to capital management during the financial year.

38. **Corporate Proposals**

On 12 October 2012, the Company ("Astral") announced the following corporate proposals ("Initial Proposals"):-

(i) a renounceable rights issue of up to 217,039,750 new ordinary shares of RM0.20 each in Astral ("Astral Share") ("Rights Share") at an issue price of RM0.22 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Astral Share held on an entitlement date to be determined later ("Entitlement Date"), together with up to 130,223,850 free detachable new warrants ("New Warrants") on the basis of three (3) New Warrants for every five (5) Rights Shares subscribed by the entitled shareholders ("Proposed Rights Issue of Shares with Warrants"); and

(ii) an increase in the authorised share capital of Astral from RM100,000,000 comprising 500,000,000 Astral Shares to RM500,000,000 comprising 2,500,000,000 Astral Shares ("Proposed Increase in Authorised Share Capital").

On 13 February 2013, the Company announced revised terms for the Initial Proposals as follows:-

(i) Rights Shares

After taking into consideration, amongst others, the prevailing market condition and the par value of Astral Shares of RM0.20 each, the exercise issue price for the Rights Shares is to be fixed at RM0.20 per Rights Share, instead of RM0.22 as stated in the Initial Proposals.

The revised issue price of RM0.20 per Rights Share represents a premium of approximately RM0.0071 or 3.68% to the theoretical ex-rights price ("TERP") of Astral Shares of RM0.1929, based on the 5-day volume weighted average market price ("5D-VWAP") up to and inclusive of 8 February 2013 of RM0.1858.

(ii) Warrants

After taking into consideration, amongst others, the TERP of Astral Shares based on the 5D-VWAP up to and inclusive of 8 February 2013 of RM0.1929, the exercise price for the New Warrants is to be fixed at RM0.20 per New Warrant, instead of RM0.22 as stated in the Initial Proposals.

(iii) Revised Minimum Subscription Level, Undertakings and Underwriting

After taking into consideration of the revision to the issue price for the Rights Shares, the Proposed Rights Issue of Shares with Warrants will be implemented on a minimum level of subscription of 54,977,000 Rights Shares together with 32,986,200 New Warrants, instead of 49,979,000 Rights Shares together with 29,987,400 New Warrants as stated in the Initial Proposals) ("Revised Minimum Subscription Level").

Based on the revised issue price of RM0.20 per Rights Share and the Revised Minimum Subscription Level, the Company will raise a minimum gross proceed of approximately RM11.0 million from the Proposed Rights Issue of Shares with Warrants.

To meet the Revised Minimum Subscription Level, the Company has procured undertakings from the Undertaking Shareholders and intends to procure the Underwriting.

(Collectively known as the Corporate Proposals)

On 13 March 2013, the Corporate Proposals were approved by the shareholders of the Company in the Extraordinary General Meeting.

As at the date of this report, the Corporate Proposals are pending the approval of the following statutory authorities:-

(i) Bursa Securities for the following:-

1. listing of and quotation for the Rights shares;

2. admission to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the new warrants;

3. listing of and quotation for the new Astral Shares to be issued pursuant to the exercise of the new warrants;

4. listing of and quotation for up to 6,787,100 additional warrants 2011/2016 to be issued in consequence of adjustment to the number of remaining unexercised Warrants ("Warrants 2011/2016") arising from the Proposed Rights issue of Shares with Warrants; and

5. listing of and quotation for up to 6,787,100 additional Astral shares to be issued pursuant to the exercise of the additional warrants 2011/2016 in consequence of the adjustment arising from the Proposed Rights Issue of Shares with Warrants;

6. Conditions imposed on letter dated 5 February 2013 are as per below:-

   A. The Company and TA Securities Holdings Berhad ("TA Securities") must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of Proposed Rights Issues of Shares with Warrant;

   B. The Company and TA Securities to inform Bursa Securities upon the completion of Proposed Rights Issues of Shares with Warrants;

   C. The Company to furnish Bursa Securities with a written confirmation of its compliance with terms and condition of Bursa Securities' approval once the Proposed Rights Issues of Shares with Warrants is completed; and

   D. The Company to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercises of New Warrants 2011/2016 as at end of each quarter together with a computation of listing fee payable.

(ii) Other relevant authorities, if any.

The Corporate Proposals are expected to be completed in Mid May 2013, after subject to all of the approvals stated above being obtained.

39. Realised and Unrealised Profits/Losses (Supplementary Information)

The breakdown of the accumulated losses of the Group and of the Company as of 31 December into realised and unrealised amounts is as follows:-

	Group	
	2012	2011
	RM	RM
Total accumulated losses:-		
Realised profits	15,029,628	14,418,890
Unrealised losses	(48,553,784)	(48,322,233)
	(33,524,156)	(33,903,343)

	Company	
	2012	2011
	RM	RM
Total accumulated losses:-		
Realised profits	8,624,397	8,459,227
Unrealised losses	(42,983,650)	(42,752,099)
	(34,359,253)	(34,292,872)

The above disclosure of realised and unrealised profits/(losses) is made solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

40. Date of Authorisation for Issue

The financial statements of the Group and of the Company for the financial year ended 31 December 2012 were authorised for issue in accordance with a resolution of the Board of Directors on 23 April 2013.

ASTRAL SUPREME BERHAD (442371-A)

Registered Office:

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

2 1 MAY 2013

To: The shareholders of Astral Supreme Berhad ("**Astral**" or "**Company**")

Dear Sir/Madam,

On behalf of the Board of Directors of Astral ("**Board**"), I wish to report that after making due enquiries in relation to the Company and its subsidiaries ("**Group**") during the period between 31 December 2012 (being the date on which the latest audited consolidated financial statements have been made up) to the date thereof (being a date not earlier than fourteen (14) days before the date of this Abridged Prospectus), that:

(i) in the opinion of the Board, the business of the Group has been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstance has arisen since the last audited consolidated financial statements of the Group which has adversely affected the trading or the value of the assets of the Group;

(iii) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in the Abridged Prospectus, there is no contingent liability which has arisen by reason of any guarantee or indemnity given by the Group;

(v) since the last audited consolidated financial statements of the Group, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowing in which the Board is aware of; and

(vi) save as disclosed in this Abridged Prospectus, there has been no material change in the published reserves or any unusual factor affecting the result of the Group since the last audited consolidated financial statements of the Group.

Yours faithfully
For and behalf of the Board of
ASTRAL SUPREME BERHAD

Ong Tai Chin @ Wong Tai Chin
Managing Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

1.1 Save for the Rights Shares, New Warrants, as well as new Astral Shares to be issued pursuant to the exercise of the New Warrants, no securities in our Company will be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issue of this AP.

1.2 As at the LPD, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of share in our Company, namely ordinary shares of RM0.20 each, all of which rank *pari passu* with one another.

1.3 Save as disclosed below, no security of our Company has been issued or is proposed or intended to be issued as fully or partly paid-up in cash or otherwise than in cash within the two (2) years preceding the date of this AP:

(i) 39,857,200 new Astral Shares and 39,857,200 Warrants 2011/2016 on the basis of one (1) new Astral Share together with one (1) Warrants 2011/2016 for every one (1) existing Astral Share held pursuant to a rights issue exercise which was completed on 12 August 2011;

(ii) RM12,000,000 nominal value of ICULS pursuant to a rights issue exercise which was completed on 12 August 2011;

(iii) New Astral Shares issued pursuant to the exercise of Warrants 2011/2016 and conversion of ICULS; and

(iv) New Astral Shares issued pursuant to the exercise of options granted under our Company's employees share option scheme which expired on 9 January 2012.

1.4 As at the LPD, save for the provisional Rights Shares with New Warrants and the following, no person has been or is entitled to be granted an option to subscribe for any share, stock or debenture of our Company or subsidiaries:

(i) the holders of the outstanding 38,727,400 Warrants 2011/2016 which are exercisable into 38,727,400 new Astral Shares at an exercise price of RM0.20 during the exercise period of five (5) years from the date of issuance of the Warrants 2011/2016, ending on 30 June 2016; and

(ii) the holders of the outstanding 7,225,500 ICULS which are convertible into up to 7,225,500 new Astral Shares at a conversion price of RM0.20 during the conversion period of ten (10) years from the date of issuance of the ICULS, ending on 30 June 2021.

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2. REMUNERATION OF DIRECTORS

The following provisions are reproduced from our Company's Articles of Association in relation to the remuneration of our Directors. Terms defined in our Articles of Association shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

Article 89

The fees payable to the directors shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the directors as they may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for a proportion of the fee related to the period during which he has held office. The fees of the directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase. The directors shall also be paid such travelling, hotel and other expenses as may reasonably be incurred by them in the execution of their duties including any such expenses incurred in connection with their attendance at meetings of directors. If by arrangement with the other directors, any director shall perform or render any special duties or service outside his ordinary duties as a director, the directors may pay him special remuneration, in addition to his ordinary remuneration as may be arranged, but so that the same shall not be calculated on turnover. The fees payable to non-executive directors shall be by a fixed sum and not by a commission on or percentage of profits or turnover and the salaries payable to executive directors may not include a commission on or percentage of turnover.

Article 90

If any director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as member of a committee of directors, the Company may remunerate the director so doing either by a fixed sum or otherwise as may be determined by the directors and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the directors; provided that no executive director shall be remunerated by a commission on or percentage of turnover. Any extra salaries payable to a non-executive director shall not be by way of commission on or percentage of profits or turnover.

Article 91

Each director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings of the Company or any other meeting which as a director he is entitled to attend and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a director

3. MATERIAL CONTRACTS

Save as disclosed below, neither we nor our subsidiaries have entered into any material contract (not being contracts entered into in the ordinary course of business) within the two (2) years immediately preceding the date of this AP:

(i) Deed poll dated 30 June 2011 in relation to the issuance of Warrants 2011/2016;

(ii) Trust deed dated 30 June 2011 in relation to the issuance of ICULS;

(iii) Master Service Agreement dated 28 July 2011 between Sphairon and Singatronics in relation to their collaboration as regards to the order by Sphairon and supply by Singatronics of electronic products required by Sphairon upon terms and conditions therein stated;

(iv) MOU between Sphairon and Singatronics in relation to the proposed collaboration between both parties in regards to the manufacturing of electronic products between both parties prior to the actual signing of a Master Service Agreement;

(v) Deed Poll dated 15 May 2013 executed by our Company constituting the New Warrants; and

(vi) Underwriting Agreement dated 15 May 2013 entered into between our Company and the Joint Underwriters to underwrite severally but not jointly 24,762,000 Rights Shares, representing approximately 45.04% of the total size of the Rights Issue of Shares with Warrants based on the Minimum Subscription Level for an underwriting commission of RM99,048 representing two percent (2%) of the total value of the Rights Shares underwritten.

4. MATERIAL LITIGATION

As at the LPD, neither we nor our subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board does not have any knowledge of any proceedings, pending or threatened, against us or our subsidiaries or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Company or our subsidiaries.

5. GENERAL

5.1 There is no existing or proposed service contract entered or to be entered into by our Company with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this AP.

5.2 Save as disclosed in this AP, our Directors are not aware of any material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.

5.3 Save as disclosed in this AP and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:

(i) known trends, demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(ii) material commitments for capital expenditure of our Group;

(iii) unusual or infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;

(iv) known trends or uncertainties that have had or that our Group reasonably expects will have, a material favourable or unfavourable impact on our Group's revenue or operating income;

(v) substantial increase in revenues; and

(vi) material information, including trading factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

Our Adviser, Company Secretaries, Share Registrar, Solicitors, Joint Underwriters for the Rights Issue of Shares with Warrants, Principal Bankers and Bloomberg Finance L.P. have given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto in the form and context in which they appear in this AP.

Our Reporting Accountants and Auditors has given and has not subsequently withdrawn its written consent to the inclusion in this AP of its name, the Proforma Consolidated Statements of Financial Position of Astral as at 31 December 2012 and the Reporting Accountants' letter thereon, the audited consolidated financial statements of our Group for the FYE 31 December 2012, and all reference thereto in the form and context in which they appear in this AP.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period of twelve (12) months from the date of this AP:

(i) our Memorandum of Association;

(ii) the audited consolidated financial statements of Astral for the past two (2) FYEs 31 December 2011 and 31 December 2012;

(iii) the Proforma Consolidated Statements of Financial Position of Astral as at 31 December 2012 and the Reporting Accountants' letter thereon as set out in Appendix III of this AP;

(iv) the Undertakings as referred to in Section 2.6 of this AP;

(v) the Directors' Report referred to in Appendix V of this AP;

(vi) the Deed Poll;

(vii) the letters of consent referred to in Section 6 of this Appendix VI; and

(viii) the material contracts referred to in Section 3 of this Appendix VI.

8. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

TA Securities, being the Adviser for the Rights Issue of Shares with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue of Shares with Warrants.